

**ANNUAL STATEMENT**

**OF THE**

**BROOKE LIFE INSURANCE COMPANY**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

Michigan

FOR THE YEAR ENDED  
DECEMBER 31, 2007

**LIFE AND ACCIDENT AND HEALTH**

**2007**



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2007  
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)  
statblic@jnli.com 517-706-5505  
(E-mail Address) (FAX Number)

### OFFICERS

President Clark Preston Manning Jr. Treasurer James Patrick Binder  
Secretary Thomas John Meyer Actuary Richard David Ash

### OTHER

|                                                       |                                                              |                                                     |
|-------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------|
| <u>Michael Andrew Wells</u> Chief Operating Officer   | <u>Andrew Boutwell Hopping</u> Chief Financial 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>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>Phillip Brian Eaves</u> Vice President           |
| <u>James Douglas Garrison</u> Vice President          | <u>Julia Anne Goatley</u> # Vice President                   | <u>Clifford Schuyler Hale</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>Laura Louene Prieskorn</u> Vice President                 | <u>James Brian Quinn</u> Vice President             |
| <u>William Robert Schulz</u> # Vice President         | <u>Kathleen Marie Smith</u> Vice President                   | <u>Heather Rachelle Strang</u> Vice President       |
| <u>Robert Marquis Tucker Jr.</u> Vice President       | <u>Eamon Joseph Twomey</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

Robert Arthur Fritts  
Controller

Subscribed and sworn to before me this \_\_\_\_\_ day of February 2008

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

Rhonda K. Phillips  
Notary Public  
November 10, 2011

**RHONDA K. PHILLIPS**  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF INGHAM  
My Commission Expires NOV. 10, 2011  
Acting in the County of Ingham

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**ASSETS**

|                                                                                                                                                                                    | Current Year  |                         |                                           | Prior Year                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------|-------------------------------------------|-----------------------------|
|                                                                                                                                                                                    | 1<br>Assets   | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>Assets |
| 1. Bonds (Schedule D) .....                                                                                                                                                        | 169,897,455   | 0                       | 169,897,455                               | 179,392,400                 |
| 2. Stocks (Schedule D):                                                                                                                                                            |               |                         |                                           |                             |
| 2.1 Preferred stocks .....                                                                                                                                                         | 0             | 0                       | 0                                         | 0                           |
| 2.2 Common stocks .....                                                                                                                                                            | 4,024,056,717 | 0                       | 4,024,056,717                             | 3,676,896,486               |
| 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<br>encumbrances) .....                                                                                                      | 0             | 0                       | 0                                         | 0                           |
| 4.2 Properties held for the production of income (less<br>\$ .....0 encumbrances) .....                                                                                            | 0             | 0                       | 0                                         | 0                           |
| 4.3 Properties held for sale (less \$ .....0<br>encumbrances) .....                                                                                                                | 0             | 0                       | 0                                         | 0                           |
| 5. Cash (\$ .....14,798 , Schedule E - Part 1), cash equivalents<br>(\$ .....618,400 , Schedule E - Part 2) and short-term<br>investments (\$ .....10,693,259 , Schedule DA) ..... | 11,326,457    | 0                       | 11,326,457                                | 2,039,657                   |
| 6. Contract loans (including \$ .....0 premium notes) .....                                                                                                                        | 2,484,148     | 0                       | 2,484,148                                 | 2,612,835                   |
| 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) .....                                                                                                                       | 4,207,764,777 | 0                       | 4,207,764,777                             | 3,860,941,378               |
| 11. Title plants less \$ .....0 charged off (for Title insurers<br>only) .....                                                                                                     | 0             | 0                       | 0                                         | 0                           |
| 12. Investment income due and accrued .....                                                                                                                                        | 2,564,617     | 0                       | 2,564,617                                 | 2,932,200                   |
| 13. Premiums and considerations:                                                                                                                                                   |               |                         |                                           |                             |
| 13.1 Uncollected premiums and agents' balances in the course of collection .....                                                                                                   | 18,732        | 0                       | 18,732                                    | 22,020                      |
| 13.2 Deferred premiums and agents' balances and installments booked but<br>deferred and not yet due (including \$ .....0<br>earned but unbilled premiums) .....                    | 163,993       | 34,568                  | 129,425                                   | 141,300                     |
| 13.3 Accrued retrospective premiums .....                                                                                                                                          | 0             | 0                       | 0                                         | 0                           |
| 14. Reinsurance:                                                                                                                                                                   |               |                         |                                           |                             |
| 14.1 Amounts recoverable from reinsurers .....                                                                                                                                     | 39,446        | 0                       | 39,446                                    | 24,500                      |
| 14.2 Funds held by or deposited with reinsured companies .....                                                                                                                     | 0             | 0                       | 0                                         | 0                           |
| 14.3 Other amounts receivable under reinsurance contracts .....                                                                                                                    | 44,376        | 0                       | 44,376                                    | 0                           |
| 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                                         | 0                           |
| 18. Electronic data processing equipment and software .....                                                                                                                        | 0             | 0                       | 0                                         | 0                           |
| 19. Furniture and equipment, including health care delivery assets<br>(\$ .....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 .....                                                                                                                       | 1,291,580     | 976,757                 | 314,823                                   | 153,043                     |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 10 to 23) .....                                                            | 4,211,887,521 | 1,011,325               | 4,210,876,196                             | 3,864,214,441               |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell<br>Accounts .....                                                                                               | 0             | 0                       | 0                                         | 0                           |
| 26. Total (Lines 24 and 25)                                                                                                                                                        | 4,211,887,521 | 1,011,325               | 4,210,876,196                             | 3,864,214,441               |
| <b>DETAILS OF WRITE-INS</b>                                                                                                                                                        |               |                         |                                           |                             |
| 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 .....                                                                                                                                 | 314,823       | 0                       | 314,823                                   | 153,043                     |
| 2302. Disallowed interest maintenance reserve .....                                                                                                                                | 976,757       | 976,757                 | 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)                                                                                                                       | 1,291,580     | 976,757                 | 314,823                                   | 153,043                     |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**LIABILITIES, SURPLUS AND OTHER FUNDS**

|                                                                                                                                                                                                                                          | 1<br>Current Year | 2<br>Prior Year |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| 1. Aggregate reserve for life contracts \$ .....171,078,053 (Exh. 5, Line 9999999) less \$ .....0 included in Line 6.3 (including \$ .....35,029,931 Modco Reserve) .....                                                                | 171,078,053       | 172,190,585     |
| 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 \$ .....1,955,476 Modco Reserve) .....                                                                                                                   | 3,059,363         | 3,118,044       |
| 4. Contract claims:                                                                                                                                                                                                                      |                   |                 |
| 4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....                                                                                                                                                      | 1,250,311         | 1,510,773       |
| 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 \$ .....3,016 Modco) .....                                                                                                                                                                  | 45,915            | 50,116          |
| 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) ..... | 2,447             | 6,187           |
| 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                 | 3,342           |
| 11. Commissions and expense allowances payable on reinsurance assumed .....                                                                                                                                                              | 0                 | 0               |
| 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 .....                                                                                                                                                                                                     | 56,334            | 60,944          |
| 17. Amounts withheld or retained by company as agent or trustee .....                                                                                                                                                                    | 5,517             | 7,625           |
| 18. Amounts held for agents' account, including \$ .....0 agents' credit balances .....                                                                                                                                                  | 0                 | 0               |
| 19. Remittances and items not allocated .....                                                                                                                                                                                            | 403,124           | 62,519          |
| 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 \$ .....1,525,000,000 and interest thereon \$ .....15,400 .....                                                                                                                                                       | 1,525,015,400     | 1,483,000,000   |
| 23. Dividends to stockholders declared and unpaid .....                                                                                                                                                                                  | 0                 | 0               |
| 24. Miscellaneous liabilities:                                                                                                                                                                                                           |                   |                 |
| 24.1 Asset valuation reserve (AVR, Line 16, Col. 7) .....                                                                                                                                                                                | 1,499,165         | 1,278,927       |
| 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 .....                                                                                                                                                                                | 151,834           | 78,099          |
| 24.5 Drafts outstanding .....                                                                                                                                                                                                            | 0                 | 0               |
| 24.6 Liability for amounts held under uninsured 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 .....                                                                                                                                                                                            | 0                 | 262,710         |
| 26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) .....                                                                                                                                                         | 1,702,567,463     | 1,661,629,871   |
| 27. From Separate Accounts Statement .....                                                                                                                                                                                               | 0                 | 0               |
| 28. Total Liabilities (Lines 26 and 27) .....                                                                                                                                                                                            | 1,702,567,463     | 1,661,629,871   |
| 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) .....                                                                                                                                 | 1,218,163,107     | 1,218,163,107   |
| 34. Aggregate write-ins for special surplus funds .....                                                                                                                                                                                  | 0                 | 0               |
| 35. Unassigned funds (surplus) .....                                                                                                                                                                                                     | 1,238,645,626     | 932,921,463     |
| 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) .....                                                                                                                                   | 2,456,808,733     | 2,151,084,570   |
| 38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) .....                                                                                                                                                                                | 2,508,308,733     | 2,202,584,570   |
| 39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3) .....                                                                                                                                                                            | 4,210,876,196     | 3,864,214,441   |
| <b>DETAILS OF WRITE-INS</b>                                                                                                                                                                                                              |                   |                 |
| 2501. Due to reinsurers .....                                                                                                                                                                                                            | 0                 | 262,710         |
| 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) .....                                                                                                                                                                       | 0                 | 262,710         |
| 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 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SUMMARY OF OPERATIONS**

|                                                                                                                                                                                           | 1<br>Current Year | 2<br>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) .....                                              | 20,879,420        | 3,104,385       |
| 2. Considerations for supplementary contracts with life contingencies .....                                                                                                               | 0                 | 0               |
| 3. Net investment income (Exhibit of Net Investment Income, Line 17) .....                                                                                                                | 167,008,282       | 128,949,246     |
| 4. Amortization of interest maintenance reserve (IMR, Line 5) .....                                                                                                                       | (225,486)         | (36,763)        |
| 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) .....                                                                                   | 257,438           | 273,061         |
| 7. Reserve adjustments on reinsurance ceded .....                                                                                                                                         | (799,624)         | (2,269,270)     |
| 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 .....                                                                                                                                     | 2,213             | 4,830           |
| 8.3 Aggregate write-ins for miscellaneous income .....                                                                                                                                    | 30,000            | 0               |
| 9. Total (Lines 1 to 8.3) .....                                                                                                                                                           | 187,152,243       | 130,025,489     |
| 10. Death benefits .....                                                                                                                                                                  | 881,656           | 877,000         |
| 11. Matured endowments (excluding guaranteed annual pure endowments) .....                                                                                                                | 0                 | 0               |
| 12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) .....                                                                                                                     | 4,284,053         | 6,534,261       |
| 13. Disability benefits and benefits under accident and health contracts .....                                                                                                            | 480               | 520             |
| 14. Coupons, guaranteed annual pure endowments and similar benefits .....                                                                                                                 | 0                 | 0               |
| 15. Surrender benefits and withdrawals for life contracts .....                                                                                                                           | 21,132,967        | 19,631,588      |
| 16. Group conversions .....                                                                                                                                                               | 0                 | 0               |
| 17. Interest and adjustments on contract or deposit-type contract funds .....                                                                                                             | 51,617            | 55,652          |
| 18. Payments on supplementary contracts with life contingencies .....                                                                                                                     | 0                 | 0               |
| 19. Increase in aggregate reserves for life and accident and health contracts .....                                                                                                       | (1,112,531)       | (20,237,532)    |
| 20. Totals (Lines 10 to 19) .....                                                                                                                                                         | 25,238,242        | 6,861,489       |
| 21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) .....                                    | 984,941           | 294,727         |
| 22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) .....                                                                                | 5,439             | 6,091           |
| 23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4) .....                                                                                                            | 678,630           | 719,521         |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3) .....                                                                         | 16,797            | 16,578          |
| 25. Increase in loading on deferred and uncollected premiums .....                                                                                                                        | (1,922)           | (3,214)         |
| 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) .....                                                                                                                                                         | 26,922,127        | 7,895,192       |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....                                                                      | 160,230,116       | 122,130,297     |
| 30. Dividends to policyholders .....                                                                                                                                                      | 41,001            | 27,652          |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) .....                                                               | 160,189,115       | 122,102,645     |
| 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) .....                        | 160,189,115       | 122,102,645     |
| 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) .....                                                                                                                                               | 160,189,115       | 122,102,645     |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>                                                                                                                                                        |                   |                 |
| 36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) .....                                                                                                          | 2,202,584,570     | 2,207,992,544   |
| 37. Net income (Line 35) .....                                                                                                                                                            | 160,189,115       | 122,102,645     |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....0 .....                                                                                             | 347,160,231       | 222,214,361     |
| 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 .....                                                                                                                                  | (404,945)         | (489,453)       |
| 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 .....                                                                                                                                               | (220,238)         | (308,098)       |
| 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                 | 21,132,837      |
| 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 .....                                                                                                                                                       | (201,000,000)     | (370,060,266)   |
| 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) .....                                                                                                            | 305,724,163       | (5,407,974)     |
| 55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) .....                                                                                                | 2,508,308,733     | 2,202,584,570   |
| <b>DETAILS OF WRITE-INS</b>                                                                                                                                                               |                   |                 |
| 08.301. Fee for termination of Union Labor reinsurance agreement .....                                                                                                                    | 30,000            | 0               |
| 08.302. ....                                                                                                                                                                              |                   |                 |
| 08.303. ....                                                                                                                                                                              |                   |                 |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....                                                                                                              | 0                 | 0               |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above) .....                                                                                                               | 30,000            | 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 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**CASH FLOW**

|                                                                                                                 | 1             | 2            |
|-----------------------------------------------------------------------------------------------------------------|---------------|--------------|
|                                                                                                                 | Current Year  | Prior Year   |
| <b>Cash from Operations</b>                                                                                     |               |              |
| 1. Premiums collected net of reinsurance .....                                                                  | 20,892,765    | 3,083,671    |
| 2. Net investment income .....                                                                                  | 167,884,552   | 129,615,484  |
| 3. Miscellaneous income .....                                                                                   | 243,062       | 273,061      |
| 4. Total (Lines 1 through 3) .....                                                                              | 189,020,379   | 132,972,216  |
| 5. Benefit and loss related payments .....                                                                      | 27,482,274    | 29,792,407   |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                    | 0             | 0            |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....                                      | 1,678,404     | 1,033,435    |
| 8. Dividends paid to policyholders .....                                                                        | 45,202        | 46,315       |
| 9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....       | 0             | 0            |
| 10. Total (Lines 5 through 9) .....                                                                             | 29,205,880    | 30,872,157   |
| 11. Net cash from operations (Line 4 minus Line 10) .....                                                       | 159,814,499   | 102,100,059  |
| <b>Cash from Investments</b>                                                                                    |               |              |
| 12. Proceeds from investments sold, matured or repaid:                                                          |               |              |
| 12.1 Bonds .....                                                                                                | 37,247,517    | 18,355,050   |
| 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) .....                                                       | 37,247,517    | 18,355,050   |
| 13. Cost of investments acquired (long-term only):                                                              |               |              |
| 13.1 Bonds .....                                                                                                | 28,849,104    | 3,821,360    |
| 13.2 Stocks .....                                                                                               | 0             | 24,150,000   |
| 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) .....                                                      | 28,849,104    | 27,971,360   |
| 14. Net increase (decrease) in contract loans and premium notes .....                                           | (128,687)     | (642,231)    |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....                                   | 8,527,100     | (8,974,079)  |
| <b>Cash from Financing and Miscellaneous Sources</b>                                                            |               |              |
| 16. Cash provided (applied):                                                                                    |               |              |
| 16.1 Surplus notes, capital notes .....                                                                         | 0             | 0            |
| 16.2 Capital and paid in surplus, less treasury stock .....                                                     | 0             | 24,650,000   |
| 16.3 Borrowed funds .....                                                                                       | 42,000,000    | 250,000,000  |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....                               | 0             | 0            |
| 16.5 Dividends to stockholders .....                                                                            | 201,000,000   | 370,060,266  |
| 16.6 Other cash provided (applied) .....                                                                        | (54,799)      | 860,012      |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) ..... | (159,054,799) | (94,550,254) |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>                                      |               |              |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....       | 9,286,800     | (1,424,274)  |
| 19. Cash, cash equivalents and short-term investments:                                                          |               |              |
| 19.1 Beginning of year .....                                                                                    | 2,039,657     | 3,463,931    |
| 19.2 End of year (Line 18 plus Line 19.1) .....                                                                 | 11,326,457    | 2,039,657    |

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

|       |  |  |
|-------|--|--|
| ..... |  |  |
| ..... |  |  |
| ..... |  |  |
| ..... |  |  |

**ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY**  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

|                                                                                                                                                              | 1<br>Total  | 2<br>Industrial Life | Ordinary            |                           |                              | 6<br>Credit Life (Group and Individual) | Group                   |                | Accident and Health |                                     |             | 12<br>Aggregate of All Other Lines of Business |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------|---------------------|---------------------------|------------------------------|-----------------------------------------|-------------------------|----------------|---------------------|-------------------------------------|-------------|------------------------------------------------|
|                                                                                                                                                              |             |                      | 3<br>Life Insurance | 4<br>Individual Annuities | 5<br>Supplementary Contracts |                                         | 7<br>Life Insurance (a) | 8<br>Annuities | 9<br>Group          | 10<br>Credit (Group and Individual) | 11<br>Other |                                                |
| 1. Premiums and annuity considerations for life and accident and health contracts                                                                            | 20,879,420  | 0                    | (251,772)           | 20,456,068                | 0                            | 0                                       | 675,124                 | 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                                                                                                                                     | 167,008,282 | 0                    | 31,819,942          | 134,718,106               | 0                            | 0                                       | 470,234                 | 0              | 0                   | 0                                   | 0           | 0                                              |
| 4. Amortization of Interest Maintenance Reserve (IMR)                                                                                                        | (225,486)   | 0                    | (44,334)            | (180,489)                 | 0                            | 0                                       | (663)                   | 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                                                                                                   | 257,438     | 0                    | 244,566             | 12,872                    | 0                            | 0                                       | 0                       | 0              | 0                   | 0                                   | 0           | 0                                              |
| 7. Reserve adjustments on reinsurance ceded                                                                                                                  | (799,624)   | 0                    | (724,828)           | (74,796)                  | 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                                                                                                              | 2,213       | 0                    | 0                   | 2,213                     | 0                            | 0                                       | 0                       | 0              | 0                   | 0                                   | 0           | 0                                              |
| 8.3 Aggregate write-ins for miscellaneous income                                                                                                             | 30,000      | 0                    | 30,000              | 0                         | 0                            | 0                                       | 0                       | 0              | 0                   | 0                                   | 0           | 0                                              |
| 9. Totals (Lines 1 to 8.3)                                                                                                                                   | 187,152,243 | 0                    | 31,073,574          | 154,933,974               | 0                            | 0                                       | 1,144,695               | 0              | 0                   | 0                                   | 0           | 0                                              |
| 10. Death benefits                                                                                                                                           | 881,656     | 0                    | 881,656             | 0                         | 0                            | 0                                       | 0                       | 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                                                                                                                                         | 4,284,053   | 0                    | 0                   | 4,284,053                 | 0                            | 0                                       | 0                       | 0              | 0                   | 0                                   | 0           | 0                                              |
| 13. Disability benefits and benefits under accident and health contracts                                                                                     | 480         | 0                    | 480                 | 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                                                                                                    | 21,132,967  | 0                    | 243,846             | 20,889,121                | 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                                                                                      | 51,617      | 0                    | 0                   | 51,617                    | 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                                                                                | (1,112,531) | 0                    | (1,782,021)         | 616,504                   | 0                            | 0                                       | 52,986                  | 0              | 0                   | 0                                   | 0           | 0                                              |
| 20. Totals (Lines 10 to 19)                                                                                                                                  | 25,238,242  | 0                    | (656,039)           | 25,841,295                | 0                            | 0                                       | 52,986                  | 0              | 0                   | 0                                   | 0           | 0                                              |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)                                                   | 984,941     | 0                    | 0                   | 984,941                   | 0                            | 0                                       | 0                       | 0              | 0                   | 0                                   | 0           | 0                                              |
| 22. Commissions and expense allowances on reinsurance assumed                                                                                                | 5,439       | 0                    | 5,439               | 0                         | 0                            | 0                                       | 0                       | 0              | 0                   | 0                                   | 0           | 0                                              |
| 23. General insurance expenses                                                                                                                               | 678,630     | 0                    | 292,157             | 385,273                   | 0                            | 0                                       | 1,200                   | 0              | 0                   | 0                                   | 0           | 0                                              |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes                                                                                       | 16,797      | 0                    | 9,698               | 7,074                     | 0                            | 0                                       | 25                      | 0              | 0                   | 0                                   | 0           | 0                                              |
| 25. Increase in loading on deferred and uncollected premiums                                                                                                 | (1,922)     | 0                    | (1,922)             | 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)                                                                                                                                  | 26,922,127  | 0                    | (350,667)           | 27,218,583                | 0                            | 0                                       | 54,211                  | 0              | 0                   | 0                                   | 0           | 0                                              |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)                                               | 160,230,116 | 0                    | 31,424,241          | 127,715,391               | 0                            | 0                                       | 1,090,484               | 0              | 0                   | 0                                   | 0           | 0                                              |
| 30. Dividends to policyholders                                                                                                                               | 41,001      | 0                    | 41,001              | 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)                                        | 160,189,115 | 0                    | 31,383,240          | 127,715,391               | 0                            | 0                                       | 1,090,484               | 0              | 0                   | 0                                   | 0           | 0                                              |
| 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) | 160,189,115 | 0                    | 31,383,240          | 127,715,391               | 0                            | 0                                       | 1,090,484               | 0              | 0                   | 0                                   | 0           | 0                                              |
| <b>DETAILS OF WRITE-INS</b>                                                                                                                                  |             |                      |                     |                           |                              |                                         |                         |                |                     |                                     |             |                                                |
| 08.301. Fee for termination of Union Labor reinsurance agreement                                                                                             | 30,000      | 0                    | 30,000              | 0                         | 0                            | 0                                       | 0                       | 0              | 0                   | 0                                   | 0           | 0                                              |
| 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)                                                                                       | 30,000      | 0                    | 30,000              | 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 2007 OF THE BROOKE LIFE INSURANCE COMPANY  
**ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR**

|                                                                                                | 1<br>Total  | 2<br>Industrial Life | Ordinary            |                           |                              | 6<br>Credit Life (Group and Individual) | Group               |                |
|------------------------------------------------------------------------------------------------|-------------|----------------------|---------------------|---------------------------|------------------------------|-----------------------------------------|---------------------|----------------|
|                                                                                                |             |                      | 3<br>Life Insurance | 4<br>Individual Annuities | 5<br>Supplementary Contracts |                                         | 7<br>Life Insurance | 8<br>Annuities |
| Involving Life or Disability Contingencies (Reserves)                                          |             |                      |                     |                           |                              |                                         |                     |                |
| (Net of Reinsurance Ceded)                                                                     |             |                      |                     |                           |                              |                                         |                     |                |
| 1. Reserve December 31, prior year .....                                                       | 172,190,585 | 0                    | 35,418,961          | 136,321,211               | 0                            | 0                                       | 450,413             | 0              |
| 2. Tabular net premiums or considerations .....                                                | 20,914,897  | 0                    | 867,542             | 19,372,231                | 0                            | 0                                       | 675,124             | 0              |
| 3. Present value of disability claims incurred .....                                           | 0           | 0                    | 0                   | 0                         | XXX                          | 0                                       | 0                   | 0              |
| 4. Tabular interest .....                                                                      | 8,439,863   | 0                    | 1,433,467           | 6,975,840                 | 0                            | 0                                       | 30,556              | 0              |
| 5. Tabular less actual reserve released .....                                                  | (558,395)   | 0                    | 0                   | (558,395)                 | 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) .....                                                                 | (598,336)   | 0                    | (598,336)           | 0                         | 0                            | 0                                       | 0                   | 0              |
| 8. Totals (Lines 1 to 7) .....                                                                 | 200,388,614 | 0                    | 37,121,634          | 162,110,887               | 0                            | 0                                       | 1,156,093           | 0              |
| 9. Tabular cost .....                                                                          | 2,717,891   | 0                    | 2,113,366           | 0                         | XXX                          | 0                                       | 604,525             | 0              |
| 10. Reserves released by death .....                                                           | 407,745     | 0                    | 407,745             | XXX                       | XXX                          | 0                                       | 0                   | XXX            |
| 11. Reserves released by other terminations (net) .....                                        | 21,900,392  | 0                    | 963,101             | 20,889,121                | 0                            | 0                                       | 48,170              | 0              |
| 12. Annuity, supplementary contract and disability payments involving life contingencies ..... | 4,284,533   | 0                    | 480                 | 4,284,053                 | 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) .....                                                     | 29,310,561  | 0                    | 3,484,692           | 25,173,174                | 0                            | 0                                       | 652,695             | 0              |
| 15. Reserve December 31, current year                                                          | 171,078,053 | 0                    | 33,636,942          | 136,937,713               | 0                            | 0                                       | 503,398             | 0              |



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**EXHIBIT OF NET INVESTMENT INCOME**

|                                                                               | 1                     | 2                  |
|-------------------------------------------------------------------------------|-----------------------|--------------------|
|                                                                               | Collected During Year | Earned During Year |
| 1. U.S. Government bonds .....                                                | (a) 15,164            | 15,164             |
| 1.1 Bonds exempt from U.S. tax .....                                          | (a) 0                 | 0                  |
| 1.2 Other bonds (unaffiliated) .....                                          | (a) 10,503,510        | 10,094,736         |
| 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 .....                                        | 246,000,000           | 246,000,000        |
| 3. Mortgage loans .....                                                       | (c) 0                 | 0                  |
| 4. Real estate .....                                                          | (d) 0                 | 0                  |
| 5. Contract loans .....                                                       | 275,427               | 280,038            |
| 6. Cash, cash equivalents and short-term investments .....                    | (e) 241,163           | 282,353            |
| 7. Derivative instruments .....                                               | (f) 0                 | 0                  |
| 8. Other invested assets .....                                                | 0                     | 0                  |
| 9. Aggregate write-ins for investment income .....                            | 100,164               | 100,164            |
| 10. Total gross investment income .....                                       | 257,135,428           | 256,772,455        |
| 11. Investment expenses .....                                                 |                       | (g) 140,518        |
| 12. Investment taxes, licenses and fees, excluding federal income taxes ..... |                       | (g) 0              |
| 13. Interest expense .....                                                    |                       | (h) 87,118,630     |
| 14. Depreciation on real estate and other invested assets .....               |                       | (i) 0              |
| 15. Aggregate write-ins for deductions from investment income .....           |                       | 2,505,025          |
| 16. Total deductions (Lines 11 through 15) .....                              |                       | 89,764,173         |
| 17. Net investment income (Line 10 minus Line 16) .....                       |                       | 167,008,282        |
| <b>DETAILS OF WRITE-INS</b>                                                   |                       |                    |
| 0901. Miscellaneous investment income .....                                   | 100,164               | 100,164            |
| 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) .....           | 100,164               | 100,164            |
| 1501. Reinsurance ceded investment income .....                               |                       | 2,505,025          |
| 1502. ....                                                                    |                       |                    |
| 1503. ....                                                                    |                       |                    |
| 1598. Summary of remaining write-ins for Line 15 from overflow page .....     |                       | 0                  |
| 1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....          |                       | 2,505,025          |

- (a) Includes \$ 75,192 accrual of discount less \$ 574,171 amortization of premium and less \$ 53,239 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                                              | 5                                                               |
|--------------------------------------------------------------------------|----------------------------------------------|-------------------------------|----------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------|
|                                                                          | Realized Gain (Loss)<br>On Sales or Maturity | Other Realized<br>Adjustments | Total Realized<br>Capital Gain (Loss)<br>(Columns 1 + 2) | Change in<br>Unrealized<br>Capital Gain (Loss) | Change in Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
| 1. U.S. Government bonds .....                                           | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 1.1 Bonds exempt from U.S. tax .....                                     | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 1.2 Other bonds (unaffiliated) .....                                     | (597,553)                                    | 0                             | (597,553)                                                | 0                                              | 0                                                               |
| 1.3 Bonds of affiliates .....                                            | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 2.1 Preferred stocks (unaffiliated) .....                                | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 2.11 Preferred stocks of affiliates .....                                | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 2.2 Common stocks (unaffiliated) .....                                   | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 2.21 Common stocks of affiliates .....                                   | 0                                            | 0                             | 0                                                        | 347,160,231                                    | 0                                                               |
| 3. Mortgage loans .....                                                  | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 4. Real estate .....                                                     | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 5. Contract loans .....                                                  | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 6. Cash, cash equivalents and short-term investments .....               | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 7. Derivative instruments .....                                          | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 8. Other invested assets .....                                           | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 9. Aggregate write-ins for capital gains (losses) .....                  | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 10. Total capital gains (losses) .....                                   | (597,553)                                    | 0                             | (597,553)                                                | 347,160,231                                    | 0                                                               |
| <b>DETAILS OF WRITE-INS</b>                                              |                                              |                               |                                                          |                                                |                                                                 |
| 0901. ....                                                               |                                              |                               |                                                          |                                                |                                                                 |
| 0902. ....                                                               |                                              |                               |                                                          |                                                |                                                                 |
| 0903. ....                                                               |                                              |                               |                                                          |                                                |                                                                 |
| 0998. Summary of remaining write-ins for Line 9 from overflow page ..... | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....      | 0                                            | 0                             | 0                                                        | 0                                              | 0                                                               |

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

|                                                               | 1<br>Total | 2<br>Industrial Life | Ordinary            |                           | 5<br>Credit Life (Group and Individual) | Group               |                | Accident and Health |                                    |             | 11<br>Aggregate of All Other Lines of Business |
|---------------------------------------------------------------|------------|----------------------|---------------------|---------------------------|-----------------------------------------|---------------------|----------------|---------------------|------------------------------------|-------------|------------------------------------------------|
|                                                               |            |                      | 3<br>Life Insurance | 4<br>Individual Annuities |                                         | 6<br>Life Insurance | 7<br>Annuities | 8<br>Group          | 9<br>Credit (Group and Individual) | 10<br>Other |                                                |
| <b>FIRST YEAR (other than single)</b>                         |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 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                                                    | 20,369,213 | 0                    | 0                   | 20,369,213                | 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                                                       | 20,369,213 | 0                    | 0                   | 20,369,213                | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 7. Line 5 + Line 6.4                                          | 20,369,213 | 0                    | 0                   | 20,369,213                | 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                                                    | 20,369,213 | 0                    | 0                   | 20,369,213                | 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)                                     | 20,369,213 | 0                    | 0                   | 20,369,213                | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| <b>SINGLE</b>                                                 |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 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                                              |
| <b>RENEWAL</b>                                                |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 11. Uncollected                                               | 21,726     | 0                    | 14,526              | 0                         | 0                                       | 7,200               | 0              | 0                   | 0                                  | 0           | 0                                              |
| 12. Deferred and accrued                                      | 149,167    | 0                    | 149,167             | 0                         | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 13. Deferred, accrued and uncollected:                        |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 13.1 Direct                                                   | 11,184     | 0                    | 3,984               | 0                         | 0                                       | 7,200               | 0              | 0                   | 0                                  | 0           | 0                                              |
| 13.2 Reinsurance assumed                                      | 344,005    | 0                    | 344,005             | 0                         | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 13.3 Reinsurance ceded                                        | 184,296    | 0                    | 184,296             | 0                         | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 13.4 Net (Line 11 + Line 12)                                  | 170,893    | 0                    | 163,693             | 0                         | 0                                       | 7,200               | 0              | 0                   | 0                                  | 0           | 0                                              |
| 14. Advance                                                   | 2,447      | 0                    | 2,447               | 0                         | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 15. Line 13.4 - Line 14                                       | 168,446    | 0                    | 161,246             | 0                         | 0                                       | 7,200               | 0              | 0                   | 0                                  | 0           | 0                                              |
| 16. Collected during year:                                    |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 16.1 Direct                                                   | 766,966    | 0                    | 10,724              | 81,618                    | 0                                       | 674,624             | 0              | 0                   | 0                                  | 0           | 0                                              |
| 16.2 Reinsurance assumed                                      | 1,064,083  | 0                    | 1,021,323           | 42,760                    | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 16.3 Reinsurance ceded                                        | 1,307,496  | 0                    | 1,269,973           | 37,523                    | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 16.4 Net                                                      | 523,553    | 0                    | (237,926)           | 86,855                    | 0                                       | 674,624             | 0              | 0                   | 0                                  | 0           | 0                                              |
| 17. Line 15 + Line 16.4                                       | 691,999    | 0                    | (76,680)            | 86,855                    | 0                                       | 681,824             | 0              | 0                   | 0                                  | 0           | 0                                              |
| 18. Prior year (uncollected + deferred and accrued - advance) | 181,792    | 0                    | 175,092             | 0                         | 0                                       | 6,700               | 0              | 0                   | 0                                  | 0           | 0                                              |
| 19. Renewal premiums and considerations:                      |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 19.1 Direct                                                   | 767,296    | 0                    | 10,554              | 81,618                    | 0                                       | 675,124             | 0              | 0                   | 0                                  | 0           | 0                                              |
| 19.2 Reinsurance assumed                                      | 1,012,199  | 0                    | 969,439             | 42,760                    | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 19.3 Reinsurance ceded                                        | 1,269,288  | 0                    | 1,231,765           | 37,523                    | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 19.4 Net (Line 17 - Line 18)                                  | 510,207    | 0                    | (251,772)           | 86,855                    | 0                                       | 675,124             | 0              | 0                   | 0                                  | 0           | 0                                              |
| <b>TOTAL</b>                                                  |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 20. Total premiums and annuity considerations:                |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 20.1 Direct                                                   | 21,136,509 | 0                    | 10,554              | 20,450,831                | 0                                       | 675,124             | 0              | 0                   | 0                                  | 0           | 0                                              |
| 20.2 Reinsurance assumed                                      | 1,012,199  | 0                    | 969,439             | 42,760                    | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 20.3 Reinsurance ceded                                        | 1,269,288  | 0                    | 1,231,765           | 37,523                    | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 20.4 Net (Lines 9.4 + 10.4 + 19.4)                            | 20,879,420 | 0                    | (251,772)           | 20,456,068                | 0                                       | 675,124             | 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<br>Total | 2<br>Industrial Life | Ordinary            |                           | 5<br>Credit Life (Group and Individual) | Group               |                | Accident and Health |                                    |             | 11<br>Aggregate of All Other Lines of Business |
|----------------------------------------------------------------|------------|----------------------|---------------------|---------------------------|-----------------------------------------|---------------------|----------------|---------------------|------------------------------------|-------------|------------------------------------------------|
|                                                                |            |                      | 3<br>Life Insurance | 4<br>Individual Annuities |                                         | 6<br>Life Insurance | 7<br>Annuities | 8<br>Group          | 9<br>Credit (Group and Individual) | 10<br>Other |                                                |
| <b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>      |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 21. To pay renewal premiums .....                              | 0          | 0                    | 0                   | 0                         | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 22. All other .....                                            | 18,032     | 0                    | 18,032              | 0                         | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| <b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b> |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 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 .....                                   | 257,438    | 0                    | 244,566             | 12,872                    | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 25.2 Reinsurance assumed .....                                 | 5,439      | 0                    | 5,439               | 0                         | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 25.3 Net ceded less assumed .....                              | 251,999    | 0                    | 239,127             | 12,872                    | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 26. Totals:                                                    |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 26.1 Reinsurance ceded (Page 6, Line 6) .....                  | 257,438    | 0                    | 244,566             | 12,872                    | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 26.2 Reinsurance assumed (Page 6, Line 22) .....               | 5,439      | 0                    | 5,439               | 0                         | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 26.3 Net ceded less assumed .....                              | 251,999    | 0                    | 239,127             | 12,872                    | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| <b>COMMISSIONS INCURRED (direct business only)</b>             |            |                      |                     |                           |                                         |                     |                |                     |                                    |             |                                                |
| 27. First year (other than single) .....                       | 981,004    | 0                    | 0                   | 981,004                   | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 28. Single .....                                               | 0          | 0                    | 0                   | 0                         | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |
| 29. Renewal .....                                              | 3,937      | 0                    | 0                   | 3,937                     | 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) .....               | 984,941    | 0                    | 0                   | 984,941                   | 0                                       | 0                   | 0              | 0                   | 0                                  | 0           | 0                                              |

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

|                                                                        | Insurance |                          |                |                                  | 5<br>Investment | 6<br>Total |
|------------------------------------------------------------------------|-----------|--------------------------|----------------|----------------------------------|-----------------|------------|
|                                                                        | 1<br>Life | 2<br>Accident and Health |                | 4<br>All Other Lines of Business |                 |            |
|                                                                        |           | Cost Containment         | 3<br>All Other |                                  |                 |            |
| 1. Rent                                                                | 6,006     | .0                       | .0             | .0                               | .0              | 6,006      |
| 2. Salaries and wages                                                  | 196,171   | .0                       | .0             | .0                               | .0              | 196,171    |
| 3.11 Contributions for benefit plans for employees                     | 18,169    | .0                       | .0             | .0                               | .0              | 18,169     |
| 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                                            | 4,445     | .0                       | .0             | .0                               | .0              | 4,445      |
| 3.32 Other agent welfare                                               | .0        | .0                       | .0             | .0                               | .0              | .0         |
| 4.1 Legal fees and expenses                                            | 3,397     | .0                       | .0             | .0                               | .0              | 3,397      |
| 4.2 Medical examination fees                                           | 2,612     | .0                       | .0             | .0                               | .0              | 2,612      |
| 4.3 Inspection report fees                                             | .0        | .0                       | .0             | .0                               | .0              | .0         |
| 4.4 Fees of public accountants and consulting actuaries                | 19,061    | .0                       | .0             | .0                               | .0              | 19,061     |
| 4.5 Expense of investigation and settlement of policy claims           | 827       | .0                       | .0             | .0                               | .0              | 827        |
| 5.1 Traveling expenses                                                 | 6,528     | .0                       | .0             | .0                               | .0              | 6,528      |
| 5.2 Advertising                                                        | 967       | .0                       | .0             | .0                               | .0              | 967        |
| 5.3 Postage, express, telegraph and telephone                          | 12,190    | .0                       | .0             | .0                               | .0              | 12,190     |
| 5.4 Printing and stationery                                            | 1,467     | .0                       | .0             | .0                               | .0              | 1,467      |
| 5.5 Cost or depreciation of furniture and equipment                    | 1,304     | .0                       | .0             | .0                               | .0              | 1,304      |
| 5.6 Rental of equipment                                                | 10,140    | .0                       | .0             | .0                               | .0              | 10,140     |
| 5.7 Cost or depreciation of EDP equipment and software                 | 34,281    | .0                       | .0             | .0                               | .0              | 34,281     |
| 6.1 Books and periodicals                                              | 350       | .0                       | .0             | .0                               | .0              | 350        |
| 6.2 Bureau and association fees                                        | 516       | .0                       | .0             | .0                               | .0              | 516        |
| 6.3 Insurance, except on real estate                                   | 4,849     | .0                       | .0             | .0                               | .0              | 4,849      |
| 6.4 Miscellaneous losses                                               | .0        | .0                       | .0             | .0                               | .0              | .0         |
| 6.5 Collection and bank service charges                                | 8,122     | .0                       | .0             | .0                               | .0              | 8,122      |
| 6.6 Sundry general expenses                                            | 1,097     | .0                       | .0             | .0                               | .0              | 1,097      |
| 6.7 Group service and administration fees                              | 11,134    | .0                       | .0             | .0                               | .0              | 11,134     |
| 6.8 Reimbursements by uninsured 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                               | 140,518         | 140,518    |
| 9.3 Aggregate write-ins for expenses                                   | 334,997   | .0                       | .0             | .0                               | .0              | 334,997    |
| 10. General expenses incurred                                          | 678,630   | .0                       | .0             | .0                               | 140,518 (a)     | 819,148    |
| 11. General expenses unpaid December 31, prior year                    | 340,809   | .0                       | .0             | .0                               | .0              | 340,809    |
| 12. General expenses unpaid December 31, current year                  | 151,834   | .0                       | .0             | .0                               | .0              | 151,834    |
| 13. Amounts receivable relating to uninsured plans, prior year         | .0        | .0                       | .0             | .0                               | .0              | .0         |
| 14. Amounts receivable relating to uninsured plans, current year       | .0        | .0                       | .0             | .0                               | .0              | .0         |
| 15. General expenses paid during year (Lines 10+11-12-13+14)           | 867,605   | 0                        | 0              | 0                                | 140,518         | 1,008,123  |
| <b>DETAILS OF WRITE-INS</b>                                            |           |                          |                |                                  |                 |            |
| 09.301. Administrator fees                                             | 318,897   | .0                       | .0             | .0                               | .0              | 318,897    |
| 09.302. Rating agency fees                                             | 16,100    | .0                       | .0             | .0                               | .0              | 16,100     |
| 09.303. ....                                                           | .0        | .0                       | .0             | .0                               | .0              | .0         |
| 09.398. Summary of remaining write-ins for Line 9.3 from overflow page | .0        | .0                       | .0             | .0                               | .0              | .0         |
| 09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above) | 334,997   | 0                        | 0              | 0                                | 0               | 334,997    |

(a) Includes management fees of \$ 457,030 to affiliates and \$ 0 to non-affiliates.

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

|                                                                 | Insurance |                          |                                  | 4<br>Investment | 5<br>Total |
|-----------------------------------------------------------------|-----------|--------------------------|----------------------------------|-----------------|------------|
|                                                                 | 1<br>Life | 2<br>Accident and Health | 3<br>All Other Lines of Business |                 |            |
| 1. Real estate taxes                                            | .0        | .0                       | .0                               | .0              | .0         |
| 2. State insurance department licenses and fees                 | 1,857     | .0                       | .0                               | .0              | 1,857      |
| 3. State taxes on premiums                                      | 14,940    | .0                       | .0                               | .0              | 14,940     |
| 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                                              | .0        | .0                       | .0                               | .0              | .0         |
| 7. Taxes, licenses and fees incurred                            | 16,797    | .0                       | .0                               | .0              | 16,797     |
| 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) | 16,797    | 0                        | 0                                | 0               | 16,797     |

**EXHIBIT 4 - DIVIDENDS OR REFUNDS**

|                                                                                       | 1<br>Life                          | 2<br>Accident and Health |
|---------------------------------------------------------------------------------------|------------------------------------|--------------------------|
|                                                                                       | 1. Applied to pay renewal premiums | .0                       |
| 2. Applied to shorten the endowment or premium-paying period                          | 13,428                             | .0                       |
| 3. Applied to provide paid-up additions                                               | 4,604                              | .0                       |
| 4. Applied to provide paid-up annuities                                               | .0                                 | .0                       |
| 5. Total Lines 1 through 4                                                            | 18,032                             | .0                       |
| 6. Paid in cash                                                                       | 3,110                              | .0                       |
| 7. Left on deposit                                                                    | 24,060                             | .0                       |
| 8. Aggregate write-ins for dividend or refund options                                 | .0                                 | .0                       |
| 9. Total Lines 5 through 8                                                            | 45,202                             | .0                       |
| 10. Amount due and unpaid                                                             | .0                                 | .0                       |
| 11. Provision for dividends or refunds payable in the following calendar year         | 45,915                             | .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                                                         | 45,915                             | .0                       |
| 16. Total from prior year                                                             | 50,116                             | .0                       |
| 17. Total dividends or refunds (Lines 9 + 15 - 16)                                    | 41,001                             | 0                        |
| <b>DETAILS OF WRITE-INS</b>                                                           |                                    |                          |
| 0801. ....                                                                            | .0                                 | .0                       |
| 0802. ....                                                                            | .0                                 | .0                       |
| 0803. ....                                                                            | .0                                 | .0                       |
| 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 2007 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<br>(Group and<br>Individual) | Group   |
| <b>LIFE INSURANCE:</b>                                                                           |             |            |             |                                     |         |
| 0100001. 1941 2.5% CRVM                                                                          | 267,176     | 0          | 267,176     | 0                                   | 0       |
| 0100002. 1941 2.5% NLP                                                                           | 140,013     | 0          | 140,013     | 0                                   | 0       |
| 0100003. 1941 3% CRVM                                                                            | 126,466     | 0          | 126,466     | 0                                   | 0       |
| 0100004. 1941 3% NLP                                                                             | 275,778     | 0          | 275,778     | 0                                   | 0       |
| 0100005. 1958 0% CRVM                                                                            | 360,996     | 0          | 360,996     | 0                                   | 0       |
| 0100006. 1958 2.25% CRVM                                                                         | 348,160     | 0          | 348,160     | 0                                   | 0       |
| 0100007. 1958 2.5% CRVM                                                                          | 1,610,023   | 0          | 1,610,023   | 0                                   | 0       |
| 0100008. 1958 2.5% NLP                                                                           | 697,623     | 0          | 697,623     | 0                                   | 0       |
| 0100009. 1958 2.625% NLP                                                                         | 35,911      | 0          | 35,911      | 0                                   | 0       |
| 0100010. 1958 3% CRVM                                                                            | 5,974,730   | 0          | 5,974,730   | 0                                   | 0       |
| 0100011. 1958 3% NLP                                                                             | 2,234,067   | 0          | 2,234,067   | 0                                   | 0       |
| 0100012. 1958 3.25% NLP                                                                          | 2,320       | 0          | 2,320       | 0                                   | 0       |
| 0100013. 1958 3.5% CRVM                                                                          | 2,626,628   | 0          | 2,626,628   | 0                                   | 0       |
| 0100014. 1958 3.5% NLP                                                                           | 1,531,929   | 0          | 1,531,929   | 0                                   | 0       |
| 0100015. 1958 4% CRVM                                                                            | 4,874,471   | 0          | 4,874,471   | 0                                   | 0       |
| 0100016. 1958 4% NLP                                                                             | 4,505,431   | 0          | 4,505,431   | 0                                   | 0       |
| 0100017. 1958 4.5% CRVM                                                                          | 8,706,870   | 0          | 8,706,870   | 0                                   | 0       |
| 0100018. 1958 4.5% NLP                                                                           | 82,542      | 0          | 82,542      | 0                                   | 0       |
| 0100019. 1980 4.5% CRVM                                                                          | 2,859,405   | 0          | 2,356,007   | 0                                   | 503,398 |
| 0100020. 1980 5% NLP                                                                             | 914,008     | 0          | 914,008     | 0                                   | 0       |
| 0100021. 1980 5.5% CRVM                                                                          | 5,449,422   | 0          | 5,449,422   | 0                                   | 0       |
| 0100022. 1980 5.5% NLP                                                                           | 880,110     | 0          | 880,110     | 0                                   | 0       |
| 0100023. 1980 6% NLP                                                                             | 3,527,522   | 0          | 3,527,522   | 0                                   | 0       |
| 0100024. 1958 CET 2.5% Paid Up ETI                                                               | 3,405       | 0          | 3,405       | 0                                   | 0       |
| 0100025. 1958 CET 3% Paid Up ETI                                                                 | 21,098      | 0          | 21,098      | 0                                   | 0       |
| 0100026. 1980 CET 4.5% Paid UP ETI                                                               | 9,250       | 0          | 9,250       | 0                                   | 0       |
| 0100027. Unearned Premium                                                                        | 223         | 0          | 223         | 0                                   | 0       |
| 0100028. Substandard                                                                             | 15,685      | 0          | 15,685      | 0                                   | 0       |
| 0199997. Totals (Gross)                                                                          | 48,081,262  | 0          | 47,577,864  | 0                                   | 503,398 |
| 0199998. Reinsurance ceded                                                                       | 14,198,601  | 0          | 14,198,601  | 0                                   | 0       |
| 0199999. Life Insurance: Totals (Net)                                                            | 33,882,661  | 0          | 33,379,263  | 0                                   | 503,398 |
| <b>ANNUITIES (excluding supplementary contracts with life contingencies):</b>                    |             |            |             |                                     |         |
| 0200001. Deferred Annuities 4.0%                                                                 | 3,218,210   | XXX        | 3,218,210   | XXX                                 | 0       |
| 0200002. Deferred Annuities 4.50%                                                                | 7,025,710   | XXX        | 7,025,710   | XXX                                 | 0       |
| 0200003. Deferred Annuities 4.75%                                                                | 43,546,053  | XXX        | 43,546,053  | XXX                                 | 0       |
| 0200004. Deferred Annuities 5.00%                                                                | 26,646,633  | XXX        | 26,646,633  | XXX                                 | 0       |
| 0200005. Deferred Annuities 5.25%                                                                | 493,773     | XXX        | 493,773     | XXX                                 | 0       |
| 0200006. Deferred Annuities 5.50%                                                                | 46,907,512  | XXX        | 46,907,512  | XXX                                 | 0       |
| 0200007. Deferred Annuities 5.75%                                                                | 4,684,705   | XXX        | 4,684,705   | XXX                                 | 0       |
| 0200008. Deferred Annuities 6.0%                                                                 | 5,064,770   | XXX        | 5,064,770   | XXX                                 | 0       |
| 0200009. 1971 IAM 6%                                                                             | 426,224     | XXX        | 426,224     | XXX                                 | 0       |
| 0200010. 1971 IAM 6.5%                                                                           | 177,610     | XXX        | 177,610     | XXX                                 | 0       |
| 0200011. 1983A 6.25%                                                                             | 1,303,875   | XXX        | 1,303,875   | XXX                                 | 0       |
| 0200012. Annuity 2000 5.25%                                                                      | 18,390      | XXX        | 18,390      | XXX                                 | 0       |
| 0200013. Annuity 2000 5.50%                                                                      | 70,136      | XXX        | 70,136      | XXX                                 | 0       |
| 0200014. Annuity 2000 6.00%                                                                      | 16,565      | XXX        | 16,565      | XXX                                 | 0       |
| 0299997. Totals (Gross)                                                                          | 139,600,166 | XXX        | 139,600,166 | XXX                                 | 0       |
| 0299998. Reinsurance ceded                                                                       | 2,662,452   | XXX        | 2,662,452   | XXX                                 | 0       |
| 0299999. Annuities: Totals (Net)                                                                 | 136,937,714 | XXX        | 136,937,714 | XXX                                 | 0       |
| <b>SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:</b>                                          |             |            |             |                                     |         |
| 0399998. Reinsurance ceded                                                                       | 0           | 0          | 0           | 0                                   | 0       |
| 0399999. SCWLC: Totals (Net)                                                                     | 0           | 0          | 0           | 0                                   | 0       |
| <b>ACCIDENTAL DEATH BENEFITS:</b>                                                                |             |            |             |                                     |         |
| 0400001. 1959 ADB Table 1958 CSO 3%                                                              | 5,176       | 0          | 5,176       | 0                                   | 0       |
| 0499997. Totals (Gross)                                                                          | 5,176       | 0          | 5,176       | 0                                   | 0       |
| 0499998. Reinsurance ceded                                                                       | 1,522       | 0          | 1,522       | 0                                   | 0       |
| 0499999. Accidental Death Benefits: Totals (Net)                                                 | 3,654       | 0          | 3,654       | 0                                   | 0       |
| <b>DISABILITY-ACTIVE LIVES:</b>                                                                  |             |            |             |                                     |         |
| 0500001. 1952 Dis Study 1958 CSO 3% Benefit 5                                                    | 10,382      | 0          | 10,382      | 0                                   | 0       |
| 0599997. Totals (Gross)                                                                          | 10,382      | 0          | 10,382      | 0                                   | 0       |
| 0599998. Reinsurance ceded                                                                       | 4,055       | 0          | 4,055       | 0                                   | 0       |
| 0599999. Disability-Active Lives: Totals (Net)                                                   | 6,327       | 0          | 6,327       | 0                                   | 0       |
| <b>DISABILITY-DISABLED LIVES:</b>                                                                |             |            |             |                                     |         |
| 0600001. 1952 Dis Study 1958 CSO 3% Benefit 5                                                    | 320,746     | 0          | 320,746     | 0                                   | 0       |
| 0699997. Totals (Gross)                                                                          | 320,746     | 0          | 320,746     | 0                                   | 0       |
| 0699998. Reinsurance ceded                                                                       | 92,186      | 0          | 92,186      | 0                                   | 0       |
| 0699999. Disability-Disabled Lives: Totals (Net)                                                 | 228,560     | 0          | 228,560     | 0                                   | 0       |
| <b>MISCELLANEOUS RESERVES:</b>                                                                   |             |            |             |                                     |         |
| 0700001. For non-deduction of deferred fractional premium or return of premiums at death         | 49,456      | 0          | 49,456      | 0                                   | 0       |
| 0700002. Deficiency reserve (Excess of valuation net premiums over corresponding gross premiums) | 457         | 0          | 457         | 0                                   | 0       |
| 0799997. Totals (Gross)                                                                          | 49,913      | 0          | 49,913      | 0                                   | 0       |
| 0799998. Reinsurance ceded                                                                       | 30,776      | 0          | 30,776      | 0                                   | 0       |
| 0799999. Miscellaneous Reserves: Totals (Net)                                                    | 19,137      | 0          | 19,137      | 0                                   | 0       |
| 9999999. Totals (Net) - Page 3, Line 1                                                           | 171,078,053 | 0          | 170,574,655 | 0                                   | 503,398 |

**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:  
 .....  
 4.4 Basis of regular assessments:  
 .....  
 4.5 Basis of special assessments:  
 .....  
 4.6 Assessments collected during the year ..... \$ ..... 0
5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.  
 .....
6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? ..... Yes [ ] No [ X ]  
 6.1 If so, state the amount of reserve on such contracts on the basis actually held: ..... \$ ..... 0  
 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: ..... \$ ..... 0  
 Attach statement of methods employed in their valuation.
7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? ..... Yes [ ] No [ X ]  
 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements ..... \$ ..... 0  
 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:  
 .....  
 7.3 State the amount of reserves established for this business: ..... \$ ..... 0  
 7.4 Identify where the reserves are reported in the blank:  
 .....

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

| 1<br>Description of Valuation Class | Valuation Basis   |                 | 4<br>Increase in Actuarial Reserve Due to Change |
|-------------------------------------|-------------------|-----------------|--------------------------------------------------|
|                                     | 2<br>Changed From | 3<br>Changed To |                                                  |
| <b>NONE</b>                         |                   |                 |                                                  |
| 9999999 - Total (Column 4, only)    |                   |                 |                                                  |

Exhibit 6 - Aggregate Reserves for Accident and Health Contracts

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**EXHIBIT 7 - DEPOSIT TYPE CONTRACTS**

|                                                                                        | 1         | 2                                | 3                 | 4                         | 5                                       | 6                                     |
|----------------------------------------------------------------------------------------|-----------|----------------------------------|-------------------|---------------------------|-----------------------------------------|---------------------------------------|
|                                                                                        | Total     | Guaranteed<br>Interest Contracts | Annuities Certain | Supplemental<br>Contracts | Dividend<br>Accumulations or<br>Refunds | Premium and<br>Other<br>Deposit Funds |
| 1. Balance at the beginning of the year before reinsurance .....                       | 130,240   | 0                                | 130,240           | 0                         | 0                                       | 0                                     |
| 2. Deposits received during the year .....                                             | 0         | 0                                | 0                 | 0                         | 0                                       | 0                                     |
| 3. Investment earnings credited to the account .....                                   | 7,489     | 0                                | 7,489             | 0                         | 0                                       | 0                                     |
| 4. Other net change in reserves .....                                                  | 50,732    | 0                                | 50,732            | 0                         | 0                                       | 0                                     |
| 5. Fees and other charges assessed .....                                               | 2,213     | 0                                | 2,213             | 0                         | 0                                       | 0                                     |
| 6. Surrender charges .....                                                             | 0         | 0                                | 0                 | 0                         | 0                                       | 0                                     |
| 7. Net surrender or withdrawal payments .....                                          | 60,070    | 0                                | 60,070            | 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) ..... | 126,178   | 0                                | 126,178           | 0                         | 0                                       | 0                                     |
| 10. Reinsurance balance at the beginning of the year .....                             | 2,987,804 | 0                                | 0                 | 0                         | 2,973,628                               | 14,176                                |
| 11. Net change in reinsurance assumed .....                                            | (259,701) | 0                                | 0                 | 0                         | (260,268)                               | 567                                   |
| 12. Net change in reinsurance ceded .....                                              | (205,082) | 0                                | 0                 | 0                         | (205,082)                               | 0                                     |
| 13. Reinsurance balance at the end of the year (Lines 10+11-12) .....                  | 2,933,185 | 0                                | 0                 | 0                         | 2,918,442                               | 14,743                                |
| 14. Net balance at the end of current year after reinsurance (Lines 9 + 13)            | 3,059,363 | 0                                | 126,178           | 0                         | 2,918,442                               | 14,743                                |



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY  
**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

**PART 1 - Liability End of Current Year**

|                                    | 1<br>Total | 2<br>Industrial Life | Ordinary            |                           |                              | 6<br>Credit Life (Group and Individual) | Group               |                | Accident and Health |                                     |             |
|------------------------------------|------------|----------------------|---------------------|---------------------------|------------------------------|-----------------------------------------|---------------------|----------------|---------------------|-------------------------------------|-------------|
|                                    |            |                      | 3<br>Life Insurance | 4<br>Individual Annuities | 5<br>Supplementary Contracts |                                         | 7<br>Life Insurance | 8<br>Annuities | 9<br>Group          | 10<br>Credit (Group and Individual) | 11<br>Other |
| <b>1. Due and unpaid:</b>          |            |                      |                     |                           |                              |                                         |                     |                |                     |                                     |             |
| 1.1 Direct .....                   | 759,064    | .0                   | .0                  | 759,064                   | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| 1.2 Reinsurance assumed .....      | 536,694    | .0                   | 536,694             | .0                        | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| 1.3 Reinsurance ceded .....        | 165,447    | .0                   | 165,447             | .0                        | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| 1.4 Net .....                      | 1,130,311  | .0                   | 371,247             | 759,064                   | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| <b>2. In course of settlement:</b> |            |                      |                     |                           |                              |                                         |                     |                |                     |                                     |             |
| 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 .....     | 101,653    | .0                   | 101,653             | .0                        | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| 2.23 Reinsurance ceded .....       | 101,653    | .0                   | 101,653             | .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                              | .0          |
| <b>3. Incurred but unreported:</b> |            |                      |                     |                           |                              |                                         |                     |                |                     |                                     |             |
| 3.1 Direct .....                   | .0         | .0                   | .0                  | .0                        | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| 3.2 Reinsurance assumed .....      | 170,000    | .0                   | 170,000             | .0                        | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| 3.3 Reinsurance ceded .....        | 50,000     | .0                   | 50,000              | .0                        | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| 3.4 Net .....                      | 120,000    | .0                   | (b) 120,000         | (b) .0                    | .0                           | (b) .0                                  | (b) .0              | .0             | (b) .0              | (b) .0                              | .0          |
| <b>4. TOTALS .....</b>             |            |                      |                     |                           |                              |                                         |                     |                |                     |                                     |             |
| 4.1 Direct .....                   | 759,064    | .0                   | .0                  | 759,064                   | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| 4.2 Reinsurance assumed .....      | 808,347    | .0                   | 808,347             | .0                        | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| 4.3 Reinsurance ceded .....        | 317,100    | .0                   | 317,100             | .0                        | .0                           | .0                                      | .0                  | .0             | .0                  | .0                                  | .0          |
| 4.4 Net .....                      | 1,250,311  | (a) 0                | (a) 491,247         | 759,064                   | .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 2007 OF THE BROOKE LIFE INSURANCE COMPANY  
**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

**PART 2 - Incurred During the Year**

|                                                                              | 1<br>Total | 2<br>Industrial Life<br>(a) | Ordinary                   |                           |                                 | 6<br>Credit Life (Group<br>and Individual) | Group                      |                | Accident and Health |                                        |             |
|------------------------------------------------------------------------------|------------|-----------------------------|----------------------------|---------------------------|---------------------------------|--------------------------------------------|----------------------------|----------------|---------------------|----------------------------------------|-------------|
|                                                                              |            |                             | 3<br>Life Insurance<br>(b) | 4<br>Individual Annuities | 5<br>Supplementary<br>Contracts |                                            | 7<br>Life Insurance<br>(c) | 8<br>Annuities | 9<br>Group          | 10<br>Credit (Group<br>and Individual) | 11<br>Other |
| 1. Settlements During the Year:                                              |            |                             |                            |                           |                                 |                                            |                            |                |                     |                                        |             |
| 1.1 Direct .....                                                             | 4,824,300  | 0                           | 2,500                      | 4,821,800                 | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 1.2 Reinsurance assumed .....                                                | 3,389,726  | 0                           | 3,144,477                  | 245,249                   | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 1.3 Reinsurance ceded .....                                                  | 2,772,429  | 0                           | 2,578,646                  | 193,783                   | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 1.4 Net (d) .....                                                            | 5,441,597  | 0                           | 568,331                    | 4,873,266                 | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 2. Liability December 31, current<br>year from Part 1:                       |            |                             |                            |                           |                                 |                                            |                            |                |                     |                                        |             |
| 2.1 Direct .....                                                             | 759,064    | 0                           | 0                          | 759,064                   | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 2.2 Reinsurance assumed .....                                                | 808,347    | 0                           | 808,347                    | 0                         | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 2.3 Reinsurance ceded .....                                                  | 317,100    | 0                           | 317,100                    | 0                         | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 2.4 Net .....                                                                | 1,250,311  | 0                           | 491,247                    | 759,064                   | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 3. Amounts recoverable from<br>reinsurers December 31, current<br>year ..... | 39,446     | 0                           | 39,446                     | 0                         | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 4. Liability December 31, prior year:                                        |            |                             |                            |                           |                                 |                                            |                            |                |                     |                                        |             |
| 4.1 Direct .....                                                             | 1,348,277  | 0                           | 0                          | 1,348,277                 | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 4.2 Reinsurance assumed .....                                                | 321,519    | 0                           | 321,519                    | 0                         | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 4.3 Reinsurance ceded .....                                                  | 159,023    | 0                           | 159,023                    | 0                         | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 4.4 Net .....                                                                | 1,510,773  | 0                           | 162,496                    | 1,348,277                 | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 5. Amounts recoverable from<br>reinsurers December 31, prior<br>year .....   | 24,500     | 0                           | 24,500                     | 0                         | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 6. Incurred Benefits                                                         |            |                             |                            |                           |                                 |                                            |                            |                |                     |                                        |             |
| 6.1 Direct .....                                                             | 4,235,087  | 0                           | 2,500                      | 4,232,587                 | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 6.2 Reinsurance assumed .....                                                | 3,876,554  | 0                           | 3,631,305                  | 245,249                   | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 6.3 Reinsurance ceded .....                                                  | 2,945,452  | 0                           | 2,751,669                  | 193,783                   | 0                               | 0                                          | 0                          | 0              | 0                   | 0                                      | 0           |
| 6.4 Net .....                                                                | 5,166,189  | 0                           | 882,136                    | 4,284,053                 | 0                               | 0                                          | 0                          | 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 \$ .....480 premiums waived under total and permanent disability benefits.

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**EXHIBIT OF NON-ADMITTED ASSETS**

|                                                                                                                         | 1                                        | 2                                      | 3                                                          |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------------|
|                                                                                                                         | Current Year Total<br>Nonadmitted Assets | Prior Year Total<br>Nonadmitted Assets | Change in Total<br>Nonadmitted Assets<br>(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<br>(Schedule DA) ..... | 0                                        | 0                                      | 0                                                          |
| 6. Contract loans .....                                                                                                 | 0                                        | 0                                      | 0                                                          |
| 7. Other invested assets (Schedule BA) .....                                                                            | 0                                        | 0                                      | 0                                                          |
| 8. Receivables for securities .....                                                                                     | 0                                        | 0                                      | 0                                                          |
| 9. Aggregate write-ins for invested assets .....                                                                        | 0                                        | 0                                      | 0                                                          |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) .....                                                            | 0                                        | 0                                      | 0                                                          |
| 11. Title plants (for Title insurers only) .....                                                                        | 0                                        | 0                                      | 0                                                          |
| 12. Investment income due and accrued .....                                                                             | 0                                        | 0                                      | 0                                                          |
| 13. Premiums and considerations:                                                                                        |                                          |                                        |                                                            |
| 13.1 Uncollected premiums and agents' balances in the course of collection .....                                        | 0                                        | 1,689                                  | 1,689                                                      |
| 13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....                     | 34,568                                   | 0                                      | (34,568)                                                   |
| 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. Receivables from parent, subsidiaries and affiliates .....                                                          | 0                                        | 0                                      | 0                                                          |
| 22. Health care and other amounts receivable .....                                                                      | 0                                        | 0                                      | 0                                                          |
| 23. Aggregate write-ins for other than invested assets .....                                                            | 976,757                                  | 604,691                                | (372,066)                                                  |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts<br>(Lines 10 to 23) ..... | 1,011,325                                | 606,380                                | (404,945)                                                  |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                       | 0                                        | 0                                      | 0                                                          |
| 26. Total (Lines 24 and 25)                                                                                             | 1,011,325                                | 606,380                                | (404,945)                                                  |
| <b>DETAILS OF WRITE-INS</b>                                                                                             |                                          |                                        |                                                            |
| 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 .....                                                                     | 976,757                                  | 604,691                                | (372,066)                                                  |
| 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)                                                            | 976,757                                  | 604,691                                | (372,066)                                                  |

**NOTES TO FINANCIAL STATEMENTS**

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## 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.

For the years 2007 and 2006, there was no difference in surplus or net income between NAIC SAP and practices prescribed or permitted by the State of Michigan.

## 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) The Company does not have investments in common stocks, 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 its statutory capital and surplus.
- (8) The Company does not have investments in joint ventures, partnerships or limited liability companies.
- (9) The Company does not have investments in derivative instruments.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.
- (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 or correction of errors, or changes in estimates for the years ended December 31, 2007 and 2006.

## NOTES TO FINANCIAL STATEMENTS

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### 3. Business Combinations and Goodwill

#### A. Statutory Purchase Method

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

#### 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 2007, no loan-backed securities were changed from the retrospective to prospective adjustment methodology due to negative yields.

#### 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, 2007, the Company has no investment in repurchase agreements.

#### F. Real Estate

The Company does not have investments in real estate.

#### G. Low Income Housing Tax Credit Investments

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

### 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, 2007 and 2006.

**NOTES TO FINANCIAL STATEMENTS**

## 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, 2007, the amount excluded was \$0.

## 8. Derivative Instruments

The Company does not have investments in financial derivative instruments.

## 9. Income Taxes

- A. No deferred income tax asset or liability was 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>12/31/2007</u> | <u>12/31/2006</u> |
|----------------------------------------------------------------|-------------------|-------------------|
| Current income tax expense                                     | \$ (29,740,337)   | \$ (30,600,255)   |
| Adjustment pursuant to Tax Sharing Agreement                   | 29,740,337        | 30,600,255        |
| Current income taxes incurred (excluding tax on capital gains) | <u>\$ 0</u>       | <u>\$ 0</u>       |

There are no deferred income tax components and, therefore, no change in deferred tax amounts reported.

- D. A reconciliation of book income to taxable loss and the resulting tax effects are as follows:

|                                          | <u>Amount</u>          | <u>Tax Effect<br/>at a 35%<br/>Statutory Rate</u> |
|------------------------------------------|------------------------|---------------------------------------------------|
| Income before taxes                      | \$ 160,189,115         | \$ 56,066,190                                     |
| Dividends received deduction             | (246,000,000)          | (86,100,000)                                      |
| Reserves                                 | 697,940                | 244,279                                           |
| Investments                              | (79,803)               | (27,931)                                          |
| Net deferred acquisition cost adjustment | (16,094)               | (5,633)                                           |
| Other                                    | 236,451                | 82,758                                            |
| Total adjustments                        | <u>(245,161,506)</u>   | <u>(85,806,527)</u>                               |
| Taxable loss                             | <u>\$ (84,972,391)</u> | <u>\$ (29,740,337)</u>                            |

- E. At December 31, 2007, the Company had no tax operating loss carry forwards, tax credits or taxes incurred available for recoupment.

- 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. The Company paid an extraordinary dividend to its pre-restructure parent company, Brooke Holdings, Inc., during 2006 totaling \$250,000,000. The dividend was paid as part of a holding company restructuring initiated by Prudential plc, the ultimate parent (see item 10G below). This extraordinary dividend was approved by the Michigan Commissioner of Insurance.

The Company recorded a \$6,632,837 capital contribution from its parent, Brooke Holdings, LLC, and made a \$6,632,837 additional investment in its subsidiary, Jackson National Life Insurance Company on July 31, 2006. This additional investment in Jackson National Life Insurance Company was comprised of the transfer of assets of

**NOTES TO FINANCIAL STATEMENTS**

Curian Clearing, LLC, a downstream wholly owned subsidiary. In October and December of 2006, the Company recorded additional capital contributions of \$5,000,000 and \$9,500,000, respectively, from Brooke Holdings, LLC.

During the years 2007 and 2006, the Company received dividends from its subsidiary, Jackson National Life Insurance Company, totaling \$246,000,000 and \$209,060,266, respectively.

The Company paid dividends to its parent company, Brooke Holdings, LLC, during 2007 and 2006 totaling \$201,000,000 and \$120,060,266, respectively.

- 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. As part of a holding company restructuring executed by Prudential plc, the ultimate parent, Brooke Holdings, Inc., the Company's former parent, transferred 100% of its interest in the Company to Brooke Holdings, LLC on March 10, 2006. The restructuring did not result in a change of control of the Company or its subsidiaries, with Prudential plc remaining as the ultimate parent of the Company. 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, 2007, was \$73,963,866,615 and \$69,939,809,898, respectively.

The net income of Jackson National Life Insurance Company was \$490,010,567 for the year ended December 31, 2007.

- J. The Company does not have investments in impaired subsidiary, controlled or affiliated companies.
- K. The Company does not have investments in foreign insurance subsidiaries.
- L. The Company does not hold an investment in a downstream noninsurance holding company.

**11. Debt**

Between November 8, 1996 and December 20, 2001, the Company issued notes to an affiliate totaling \$733,000,000 at interest rates between 6.00% and 8.51% due December 31, 2006. On September 27, 2002, the Company issued an additional note to this affiliate totaling \$500,000,000 at 5.8% interest due in 2012. In a combination of corporate restructurings in 2005 and 2006, this affiliate was dissolved and the debt restructured with another affiliate, Nicole Finance, Inc. The debt, totaling \$1,233,000,000, is due in 2009 with interest at 5.89%.

As part of a holding company restructuring initiated by Prudential plc, the ultimate parent, the Company entered into the following transactions:

On March 9, 2006, the Company issued \$250,000,000 of 4.87% notes due June 9, 2006 to Prudential Four Limited, an upstream intermediate parent. On March 13, 2006 the Company paid off these Prudential Four Limited notes, including accrued interest of \$135,578.

On March 30, 2006, the Company issued \$21,052,375 of 4.60% notes due December 31, 2006 to its parent, Brooke Holdings, LLC. The notes and accrued interest were repaid in December 2006.

On March 13, 2006, the Company issued \$250,000,000 of Libor plus 0.45% notes due December 31, 2006 to its parent, Brooke Holdings, LLC.

On March 30, 2006, all outstanding debt and accrued interest of the Company was transferred from its parent, Brooke Holdings, LLC, to Nicole Finance, Inc., an upstream intermediate parent. Total debt and interest transferred was \$1,504,052,375.

On December 28, 2007, the Company issued \$42,000,000 of 4.4% notes due December 28, 2008 to its wholly-owned subsidiary, Jackson National Life Insurance Company.

**NOTES TO FINANCIAL STATEMENTS**

Brooke Life intercompany borrowings at December 31, 2007 are comprised as follows:

| <b>Issued by</b>                | <b>Date Issued</b> | <b>Maturity</b> | <b>Interest Rate</b> | <b>Principal Amount</b> |
|---------------------------------|--------------------|-----------------|----------------------|-------------------------|
| Nicole Finance, Inc.            | 3/30/2006          | 03/27/2009      | 5.89%                | \$ 1,233,000,000        |
| Nicole Finance, Inc.            | 3/30/2006          | 12/31/2015      | Libor+0.45%          | 250,000,000             |
| Jackson National Life Insurance | 12/28/2007         | 12/28/2008      | 4.40%                | 42,000,000              |
| Total                           |                    |                 |                      | <u>\$ 1,525,000,000</u> |

At December 31, 2007, there is accrued interest of \$15,400 outstanding on these notes.

The Company does not have reverse repurchase agreements outstanding at December 31, 2007.

#### 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 2008 without prior approval of the Michigan commissioner of insurance is approximately \$250 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 \$1,606,258,024.
- (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.
- (13) The Company paid dividends in 2007 and 2006 as follows:

|                       |                   | Ordinary    | Extraordinary  |
|-----------------------|-------------------|-------------|----------------|
| Brooke Holdings, Inc. | March 9, 2006     | \$ -        | \$ 250,000,000 |
| Brooke Holdings, LLC  | December 11, 2006 | 14,944,607  | 105,115,659    |
| Brooke Holdings, LLC  | December 13, 2007 | 159,000,000 | -              |
| Brooke Holdings, LLC  | December 28, 2007 | 42,000,000  | -              |

The extraordinary dividends were approved by the Michigan Insurance Commissioner.

#### 14. Contingencies

##### A. Contingent Commitments

At December 31, 2007, 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.



## NOTES TO FINANCIAL STATEMENTS

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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 date but prior to the issuance of the financial statements that requires disclosure.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

The Company did not pay any claims related extra contractual obligations or bad faith claims stemming from lawsuits.

E. All Other Contingencies

The Company is not aware of any material loss contingency as of December 31, 2007.

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. 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.

## NOTES TO FINANCIAL STATEMENTS

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F. State Transferable Tax Credits

The Company does not have transferable state tax credits.

G. The Company does not have any protective tax deposits which are on deposit with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code

H. Hybrid Securities

The Company does not have investments in hybrid securities.

I. Subprime Mortgage Related Risk Exposure

The Company defines exposure to subprime mortgage related risk as investments in securities collateralized by mortgage loans in which the borrower has a FICO score of 659 or lower. The Company does not have any of these investments.

21. Events Subsequent

The Company is not aware of any events occurring subsequent to the balance sheet date which require disclosure to keep the financial statements from being misleading or that may have a material effect on the financial condition of the Company.

22. 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.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

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

## NOTES TO FINANCIAL STATEMENTS

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24. Change in Incurred Losses and Loss Adjustment Expenses

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

25. Intercompany Pooling Arrangements

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

26. Structured Settlements

The Company does not have structured settlements that require disclosure.

27. Health Care Receivables

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

28. Participating Policies

The Company does not have participating policies that require disclosure.

29. Premium Deficiency Reserves

The Company does not have accident and health or property/casualty premium deficiency reserves.

30. 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, 2007, the Company had \$435,000 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 \$457 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.

**NOTES TO FINANCIAL STATEMENTS**

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

|                                                                                       | (1)<br><u>Amount</u>  | (2)<br><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                         | 51,354,872            | 35.7%                    |
| (3) At fair value                                                                     | <u>0</u>              | <u>0.0%</u>              |
| (4) Total with adjustment or at fair value (Total of 1 through 3)                     | 51,354,872            | 35.7%                    |
| (5) At book value (minimal or no charge or adjustment):                               |                       |                          |
| - Surrender charge < 1%                                                               | 19,911,525            | 13.8%                    |
| - Surrender charge >=1% but < 2.5%                                                    | 17,997,656            | 12.5%                    |
| - Surrender charge >=2.5% but < 5%                                                    | 54,595,260            | 37.9%                    |
| B. Not subject to discretionary withdrawal                                            | <u>105,091</u>        | <u>0.1%</u>              |
| C. Total annuity actuarial reserves and deposit fund liabilities (gross)              | 143,964,404           | <u>100.0%</u>            |
| D. Reinsurance ceded                                                                  | <u>3,967,328</u>      |                          |
| E. Total (net)* (C) - (D)                                                             | <u>\$ 139,997,076</u> |                          |
| * Reconciliation of total annuity actuarial reserves and deposit fund liabilities.    |                       |                          |
| F. Life & Accident & Health Annual Statement:                                         |                       |                          |
| 1. Exhibit 5, Annuities Section, Total (net)                                          | \$ 136,937,713        |                          |
| 2. Exhibit 5, Supplementary Contracts with<br>Life Contingencies Section, Total (net) | 0                     |                          |
| 3. Exhibit of Deposit-Type Contracts, Line 14, Column 1 (net)                         | <u>3,059,363</u>      |                          |
| 4. Subtotal                                                                           | <u>139,997,076</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>\$ 139,997,076</u> |                          |

## 32. Premium and Annuity Considerations Deferred and Uncollected

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

| Type                      | (1)<br><u>Gross</u> | (2)<br><u>Net of Loading</u> |
|---------------------------|---------------------|------------------------------|
| (1) Industrial            | \$ 0                | \$ 0                         |
| (2) Ordinary new business | 0                   | 0                            |
| (3) Ordinary renewal      | 163,692             | 140,956                      |
| (4) Credit Life           | 0                   | 0                            |
| (5) Group Life            | 7,200               | 7,200                        |
| (6) Group Annuity         | <u>0</u>            | <u>0</u>                     |
| (7) Totals                | <u>\$ 170,892</u>   | <u>\$ 148,156</u>            |

## 33. Separate Accounts

The Company does not have Separate Accounts business.

## 34. Loss/Claim Adjustment Expenses

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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SUMMARY INVESTMENT SCHEDULE**

| Investment Categories                                                                                                                                   | Gross Investment Holdings |                 | Admitted Assets as Reported in the Annual Statement |                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------|-----------------------------------------------------|-----------------|
|                                                                                                                                                         | 1<br>Amount               | 2<br>Percentage | 3<br>Amount                                         | 4<br>Percentage |
| 1. Bonds:                                                                                                                                               |                           |                 |                                                     |                 |
| 1.1 U.S. treasury securities .....                                                                                                                      | 329,034                   | 0.008           | 329,034                                             | 0.008           |
| 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 .....                                                                                                                | 338                       | 0.000           | 338                                                 | 0.000           |
| 1.512 Issued or guaranteed by FNMA and FHLMC .....                                                                                                      | 2,461,146                 | 0.058           | 2,461,146                                           | 0.058           |
| 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 .....                                                                                             | 1,365,560                 | 0.032           | 1,365,560                                           | 0.032           |
| 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 .....                                                                                                                                   | 14,940,839                | 0.355           | 14,940,839                                          | 0.355           |
| 2. Other debt and other fixed income securities (excluding short-term):                                                                                 |                           |                 |                                                     |                 |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....                                                              | 131,286,120               | 3.120           | 131,286,120                                         | 3.120           |
| 2.2 Unaffiliated foreign securities .....                                                                                                               | 19,514,418                | 0.464           | 19,514,418                                          | 0.464           |
| 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 .....                                                                                                                                   | 4,024,056,717             | 95.634          | 4,024,056,717                                       | 95.634          |
| 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 .....                                                                                                                                 | 2,484,148                 | 0.059           | 2,484,148                                           | 0.059           |
| 7. Receivables for securities .....                                                                                                                     | 0                         | 0.000           | 0                                                   | 0.000           |
| 8. Cash, cash equivalents and short-term investments .....                                                                                              | 11,326,457                | 0.269           | 11,326,457                                          | 0.269           |
| 9. Other invested assets .....                                                                                                                          | 0                         | 0.000           | 0                                                   | 0.000           |
| 10. Total invested assets                                                                                                                               | 4,207,764,777             | 100.000         | 4,207,764,777                                       | 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: .....
- 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. .... 12/31/2004
- 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). .... 06/27/2006
- 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<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---------------------|------------------------|------------------------|
|                     |                        |                        |
|                     |                        |                        |
|                     |                        |                        |

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ 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<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
| UNITED KINGDOM   | CORPORATION         |
|                  |                     |

ANNUAL STATEMENT FOR THE YEAR 2007 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<br>Affiliate Name                           | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>OTS | 6<br>FDIC | 7<br>SEC |
|-----------------------------------------------|-----------------------------|----------|----------|----------|-----------|----------|
| JACKSON NATIONAL LIFE DISTRIBUTORS, LLC ..... | 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      |
| CURTIAN CLEARING, LLC .....                   | DENVER, CO .....            |          |          |          |           | 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 [ ]
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
  - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 13.11 If the response to 13.1 is No, please explain: .....
- 13.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s). .....
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s). .....

**BOARD OF DIRECTORS**

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

**ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY  
GENERAL INTERROGATORIES**

**FINANCIAL**

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

**INVESTMENT**

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

23.3 For category (23.28) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
| .....                      | .....            | .....       |
| .....                      | .....            | .....       |
| .....                      | .....            | .....       |

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



**ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY  
GENERAL INTERROGATORIES**

26. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ X ] No [ ]

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

| 1<br>Nature of Custodian(s) | 2<br>Custodian's Address                              |
|-----------------------------|-------------------------------------------------------|
| THE BANK OF NEW YORK .....  | ONE WALL STREET, 14TH FLOOR, NEW YORK, NY 10286 ..... |

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

| 1<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
| .....        | .....            | .....                        |

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

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
| .....              | .....              | .....               | .....       |

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

| 1<br>Central Registration Depository Number(s) | 2<br>Name              | 3<br>Address                                      |
|------------------------------------------------|------------------------|---------------------------------------------------|
| DEPOSITORY TRUST CORPORATION .....             | PPM AMERICA, INC. .... | 225 W. WACKER, SUITE 100, CHICAGO, IL 60606 ..... |

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

27.2 If yes, complete the following schedule:

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

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

|                             | 1<br>Statement (Admitted)<br>Value | 2<br>Fair Value | 3<br>Excess of Statement<br>over Fair Value (-), or<br>Fair Value over<br>Statement (+) |
|-----------------------------|------------------------------------|-----------------|-----------------------------------------------------------------------------------------|
| 28.1 Bonds .....            | 180,590,714                        | 180,773,634     | 182,920                                                                                 |
| 28.2 Preferred stocks ..... | .0                                 | .0              | .0                                                                                      |
| 28.3 Totals                 | 180,590,714                        | 180,773,634     | 182,920                                                                                 |

28.4 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 VALUE 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.

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

29.2 If no, list exceptions:

**OTHER**

30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....16,100

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

| 1<br>Name                    | 2<br>Amount Paid |
|------------------------------|------------------|
| A.M. BEST COMPANY, INC ..... | 16,100           |

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

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

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
| .....     |                  |
| .....     |                  |

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

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

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
| .....     |                  |
| .....     |                  |

ANNUAL STATEMENT FOR THE YEAR 2007 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<br>Current Year | 2<br>Prior Year |
|-----------------------------------|-------------------|-----------------|
| 2.1 Premium Numerator .....       | 0                 | 0               |
| 2.2 Premium Denominator .....     | 20,879,420        | 3,104,385       |
| 2.3 Premium Ratio (2.1/2.2) ..... | 0.000             | 0.000           |
| 2.4 Reserve Numerator .....       | 0                 | 0               |
| 2.5 Reserve Denominator .....     | 172,309,227       | 173,681,457     |
| 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 ..... \$ ..... 316,512

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: ..... \$ ..... 1,218,163,107

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

7.11 Cash ..... \$ ..... 1,630,762,937

7.12 Stock ..... \$ ..... 0

ANNUAL STATEMENT FOR THE YEAR 2007 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<br>Reinsurance<br>Assumed | 2<br>Reinsurance<br>Ceded | 3<br>Net<br>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<br>Point | 1<br>Earned<br>Premium | 2<br>Claim Liability<br>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<br>Waiting Period<br>Remaining | 4<br>Account Value<br>Related to Col. 3 | 5<br>Total Related<br>Account Values | 6<br>Gross Amount of<br>Reserve | 7<br>Location of<br>Reserve | 8<br>Portion<br>Reinsured | 9<br>Reinsurance<br>Reserve Credit |
|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------------|--------------------------------------|---------------------------------|-----------------------------|---------------------------|------------------------------------|
| 1<br>Guaranteed<br>Death Benefit | 2<br>Guaranteed<br>Living Benefit |                                  |                                         |                                      |                                 |                             |                           |                                    |
| .....                            | .....                             | .....                            | .....                                   | .....                                | .....                           | .....                       | .....                     | .....                              |
| .....                            | .....                             | .....                            | .....                                   | .....                                | .....                           | .....                       | .....                     | .....                              |

ANNUAL STATEMENT FOR THE YEAR 2007 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<br>2007     | 2<br>2006     | 3<br>2005     | 4<br>2004     | 5<br>2003     |
|------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Life Insurance in Force</b>                                                                 |               |               |               |               |               |
| (Exhibit of Life Insurance)                                                                    |               |               |               |               |               |
| 1. Ordinary - whole life and endowment (Line 34, Col. 4) .....                                 | 117,691       | 129,788       | 141,531       | 146,071       | 156,544       |
| 2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) .....                               | 52,730        | 59,520        | 67,025        | 78,869        | 86,970        |
| 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) .....              | 389,229       | 347,682       | 269,258       | 269,600       | 263,291       |
| 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) .....                                                              | 559,650       | 536,990       | 477,814       | 494,540       | 506,805       |
| <b>New Business Issued</b>                                                                     |               |               |               |               |               |
| (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) .....                                                               | 61,958        | 54,935        | 33,367        | 45,219        | 67,645        |
| 12. Industrial (Line 2, Col. 2) .....                                                          | 0             | 0             | 0             | 0             | 0             |
| 13. Total (Line 2, Col. 10) .....                                                              | 61,958        | 54,935        | 33,367        | 45,219        | 67,645        |
| <b>Premium Income - Lines of Business</b>                                                      |               |               |               |               |               |
| (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) .....                                         | (251,772)     | 405,273       | 435,816       | 445,483       | 472,926       |
| 15.2 Ordinary-individual annuities (Line 20.4, Col. 4) .....                                   | 20,456,068    | 2,096,089     | 6,265,679     | 36,713,930    | 41,007,196    |
| 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) .....                                            | 675,124       | 603,023       | 546,674       | 500,492       | 462,896       |
| 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 .....                                                                                | 20,879,420    | 3,104,385     | 7,248,169     | 37,659,905    | 41,943,018    |
| <b>Balance Sheet (Pages 2 &amp; 3)</b>                                                         |               |               |               |               |               |
| 21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3) ..... | 4,210,876,196 | 3,864,214,441 | 3,639,732,611 | 3,345,957,086 | 3,173,068,182 |
| 22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) .....             | 1,702,567,463 | 1,661,629,871 | 1,431,740,067 | 1,435,358,769 | 1,411,621,444 |
| 23. Aggregate life reserves (Page 3, Line 1) .....                                             | 171,078,053   | 172,190,585   | 192,428,117   | 197,050,810   | 166,587,413   |
| 24. Aggregate A & H reserves (Page 3, Line 2) .....                                            | 0             | 0             | 0             | 0             | 0             |
| 25. Deposit-type contract funds (Page 3, Line 3) .....                                         | 3,059,363     | 3,118,044     | 3,164,116     | 3,278,976     | 3,216,727     |
| 26. Asset valuation reserve (Page 3, Line 24.1) .....                                          | 1,499,165     | 1,278,927     | 970,829       | 544,792       | 0             |
| 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) .....                                                            | 2,456,808,733 | 2,151,084,570 | 2,156,492,544 | 1,859,098,317 | 1,709,946,739 |
| <b>Cash Flow (Page 5)</b>                                                                      |               |               |               |               |               |
| 29. Net Cash from Operations (Line 11) .....                                                   | 159,814,499   | 102,100,059   | 327,738,277   | 68,454,275    | 123,097,715   |
| <b>Risk-Based Capital Analysis</b>                                                             |               |               |               |               |               |
| 30. Total adjusted capital .....                                                               | 2,966,577,125 | 2,602,519,100 | 2,657,128,903 | 1,911,184,533 | 1,761,495,102 |
| 31. Authorized control level risk - based capital .....                                        | 402,839,717   | 411,137,297   | 411,461,462   | 399,891,286   | 476,985,536   |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b>                   |               |               |               |               |               |
| (Page 2, Col. 3) (Line No. /Page 2, Line 10, Col. 3) x 100.0                                   |               |               |               |               |               |
| 32. Bonds (Line 1) .....                                                                       | 4.0           | 4.6           | 5.4           | 5.7           | 5.1           |
| 33. Stocks (Lines 2.1 and 2.2) .....                                                           | 95.6          | 95.2          | 94.4          | 94.0          | 94.6          |
| 34. Mortgage loans on real estate(Lines 3.1 and 3.2 ) .....                                    | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| 35. Real estate (Lines 4.1, 4.2 and 4.3) .....                                                 | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| 36. Cash, cash equivalents and short-term investments (Line 5) .....                           | 0.3           | 0.1           | 0.1           | 0.2           | 0.1           |
| 37. Contract loans (Line 6) .....                                                              | 0.1           | 0.1           | 0.1           | 0.1           | 0.1           |
| 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 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**FIVE-YEAR HISTORICAL DATA**

(Continued)

|                                                                                                                                                              | 1<br>2007     | 2<br>2006     | 3<br>2005     | 4<br>2004     | 5<br>2003     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Investments in Parent, Subsidiaries and Affiliates</b>                                                                                                    |               |               |               |               |               |
| 42. Affiliated bonds (Schedule D Summary, Line 25, Col. 1) .....                                                                                             | 0             | 0             | 0             | 0             | 0             |
| 43. Affiliated preferred stocks (Schedule D Summary, Line 39, Col. 1) .....                                                                                  | 0             | 0             | 0             | 0             | 0             |
| 44. Affiliated common stocks (Schedule D Summary Line 53, Col. 1), .....                                                                                     | 4,024,056,717 | 3,676,896,486 | 3,434,049,288 | 3,140,683,432 | 2,999,031,739 |
| 45. Affiliated short-term investments (subtotal included in Schedule DA Part 2 Col. 5, Line 7) .....                                                         | 0             | 0             | 0             | 0             | 0             |
| 46. Affiliated mortgage loans on real estate .....                                                                                                           | 0             | 0             | 0             | 0             | 0             |
| 47. All other affiliated .....                                                                                                                               | 0             | 0             | 0             | 0             | 0             |
| 48. Total of above Lines 42 to 47 .....                                                                                                                      | 4,024,056,717 | 3,676,896,486 | 3,434,049,288 | 3,140,683,432 | 2,999,031,739 |
| <b>Total Nonadmitted and Admitted Assets</b>                                                                                                                 |               |               |               |               |               |
| 49. Total nonadmitted assets (Page 2, Line 26, Col. 2) .....                                                                                                 | 1,011,325     | 606,380       | 116,927       | 346,364       | 0             |
| 50. Total admitted assets (Page 2, Line 26, Col. 3) .....                                                                                                    | 4,210,876,196 | 3,864,214,441 | 3,639,732,611 | 3,345,957,086 | 3,173,068,182 |
| <b>Investment Data</b>                                                                                                                                       |               |               |               |               |               |
| 51. Net investment income (Exhibit of Net Investment Income) .....                                                                                           | 167,008,282   | 128,949,246   | 336,036,363   | 44,169,000    | 6,733,954     |
| 52. Realized capital gains (losses) .....                                                                                                                    | (597,553)     | (534,465)     | 236,634       | 219,588       | (2,964,347)   |
| 53. Unrealized capital gains (losses) .....                                                                                                                  | 347,160,231   | 222,214,361   | 32,636,719    | 141,651,693   | 90,149,636    |
| 54. Total of above Lines 51, 52 and 53 .....                                                                                                                 | 513,570,960   | 350,629,142   | 368,909,716   | 186,040,281   | 93,919,243    |
| <b>Benefits and Reserve Increases (Page 6)</b>                                                                                                               |               |               |               |               |               |
| 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) .....                  | 26,299,156    | 27,043,369    | 15,112,713    | 9,852,792     | 6,658,510     |
| 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) .....                                                                | (1,782,021)   | (2,311,618)   | (1,473,798)   | (1,733,052)   | (1,374,166)   |
| 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) .....                                                                                                       | 41,001        | 27,652        | 37,509        | 39,788        | 37,296        |
| <b>Operating Percentages</b>                                                                                                                                 |               |               |               |               |               |
| 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 .....         | 6.8           | 24.1          | 14.9          | 6.3           | 6.2           |
| 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 ..... | 5.9           | 8.2           | 6.2           | 6.5           | 8.2           |
| 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           | 0.0           | 0.0           | 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           |
| <b>A &amp; H Claim Reserve Adequacy</b>                                                                                                                      |               |               |               |               |               |
| 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             |
| <b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>                                                           |               |               |               |               |               |
| 69. Industrial life (Col. 2) .....                                                                                                                           | 0             | 0             | 0             | 0             | 0             |
| 70. Ordinary - life (Col. 3) .....                                                                                                                           | 31,383,240    | 23,722,703    | 12,367,126    | 7,116,825     | 307,230       |
| 71. Ordinary - individual annuities (Col. 4) .....                                                                                                           | 127,715,391   | 97,952,219    | 56,753,988    | 30,257,291    | 367,744       |
| 72. Ordinary-supplementary contracts (Col. 5) .....                                                                                                          | 0             | 0             | 0             | 0             | 0             |
| 73. Credit life (Col. 6) .....                                                                                                                               | 0             | 0             | 0             | 0             | 0             |
| 74. Group life (Col. 7) .....                                                                                                                                | 1,090,484     | 427,723       | 890,493       | 214,029       | 415,469       |
| 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) .....                                                                                                 | 0             | 0             | 260,733,000   | 0             | 0             |
| 80. Total (Col. 1) .....                                                                                                                                     | 160,189,115   | 122,102,645   | 330,744,607   | 37,588,145    | 1,090,443     |



**ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Grand Total

DURING THE YEAR 2007

NAIC Group Code 0918

**LIFE INSURANCE**

NAIC Company Code 78620

| DIRECT PREMIUMS<br>AND ANNUITY CONSIDERATIONS                                                 | 1          | 2                                     | 3       | 4          | 5          |
|-----------------------------------------------------------------------------------------------|------------|---------------------------------------|---------|------------|------------|
|                                                                                               | Ordinary   | Credit Life (Group<br>and Individual) | Group   | Industrial | Total      |
| 1. Life insurance                                                                             | 10,723     | 0                                     | 674,624 | 0          | 685,347    |
| 2. Annuity considerations                                                                     | 20,450,831 | 0                                     | 0       | 0          | 20,450,831 |
| 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)                                                               | 20,461,554 | 0                                     | 674,624 | 0          | 21,136,178 |
| <b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>                                                      |            |                                       |         |            |            |
| 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<br>endowment or premium-paying period | 0          | 0                                     | 0       | 0          | 0          |
| 6.4 Other                                                                                     | 0          | 0                                     | 0       | 0          | 0          |
| 6.5 Totals (Sum of Lines 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          |
| <b>DIRECT CLAIMS AND BENEFITS PAID</b>                                                        |            |                                       |         |            |            |
| 9. Death benefits                                                                             | 2,500      | 0                                     | 0       | 0          | 2,500      |
| 10. Matured endowments                                                                        | 0          | 0                                     | 0       | 0          | 0          |
| 11. Annuity benefits                                                                          | 4,821,800  | 0                                     | 0       | 0          | 4,821,800  |
| 12. Surrender values and withdrawals for life contracts                                       | 20,822,203 | 0                                     | 0       | 0          | 20,822,203 |
| 13. Aggregate write-ins for miscellaneous direct claims<br>and benefits paid                  | 0          | 0                                     | 0       | 0          | 0          |
| 14. All other benefits, except accident and health                                            | 0          | 0                                     | 0       | 0          | 0          |
| 15. Totals                                                                                    | 25,646,503 | 0                                     | 0       | 0          | 25,646,503 |
| <b>DETAILS OF WRITE-INS</b>                                                                   |            |                                       |         |            |            |
| 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<br>above)                              | 0          | 0                                     | 0       | 0          | 0          |

| DIRECT DEATH<br>BENEFITS AND<br>MATURED<br>ENDOWMENTS<br>INCURRED | Ordinary |           | Credit Life<br>(Group and Individual)    |        | Group              |              | Industrial |        | Total |              |
|-------------------------------------------------------------------|----------|-----------|------------------------------------------|--------|--------------------|--------------|------------|--------|-------|--------------|
|                                                                   | 1        | 2         | 3                                        | 4      | 5                  | 6            | 7          | 8      | 9     | 10           |
|                                                                   | No.      | Amount    | No. of<br>Ind.Pols.<br>& Gr.<br>Certifs. | Amount | No. of<br>Certifs. | Amount       | No.        | Amount | No.   | Amount       |
| 16. Unpaid December 31, prior<br>year                             | 0        | 0         | 0                                        | 0      | 0                  | 0            | 0          | 0      | 0     | 0            |
| 17. Incurred during current year<br>Settled during current year:  | 1        | 2,500     | 0                                        | 0      | 0                  | 0            | 0          | 0      | 1     | 2,500        |
| 18.1 By payment in full                                           | 1        | 2,500     | 0                                        | 0      | 0                  | 0            | 0          | 0      | 1     | 2,500        |
| 18.2 By payment on<br>compromised claims                          | 0        | 0         | 0                                        | 0      | 0                  | 0            | 0          | 0      | 0     | 0            |
| 18.3 Totals paid                                                  | 1        | 2,500     | 0                                        | 0      | 0                  | 0            | 0          | 0      | 1     | 2,500        |
| 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        | 2,500     | 0                                        | 0      | 0                  | 0            | 0          | 0      | 1     | 2,500        |
| 19. Unpaid Dec. 31, current<br>year (16+17-18.6)                  | 0        | 0         | 0                                        | 0      | 0                  | 0            | 0          | 0      | 0     | 0            |
| <b>POLICY EXHIBIT</b>                                             |          |           |                                          |        | No. of<br>Policies |              |            |        |       |              |
| 20. In force December 31, prior<br>year                           | 86       | 1,325,000 | 0 (a)                                    | 0      | 1                  | 347,681,000  | 0          | 0      | 87    | 349,006,000  |
| 21. Issued during year                                            | 0        | 0         | 0                                        | 0      | 0                  | 80,861,000   | 0          | 0      | 0     | 80,861,000   |
| 22. Other changes to in force<br>(Net)                            | (9)      | (84,000)  | 0                                        | 0      | 0                  | (39,313,000) | 0          | 0      | (9)   | (39,397,000) |
| 23. In force December 31 of<br>current year                       | 77       | 1,241,000 | 0 (a)                                    | 0      | 1                  | 389,229,000  | 0          | 0      | 78    | 390,470,000  |

(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<br>Earned | Dividends Paid Or<br>Credited On Direct<br>Business | Direct Losses Paid | Direct Losses<br>Incurred |
| 24. Group Policies (b)                                                                  | 0               | 0                         | 0                                                   | 0                  | 0                         |
| 24.1 Federal Employees Health Benefits Program<br>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                         |
| 24.4 Medicare Title XVIII exempt from state taxes or fees<br>Other Individual Policies: | 0               | 0                         | 0                                                   | 0                  | 0                         |
| 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 + 24.4 + 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 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**EXHIBIT OF LIFE INSURANCE**

|                                                                           | Industrial         |                         | Ordinary           |                         | Credit Life (Group and Individual)                   |                         | Group         |                   |                         | 10<br>Total<br>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<br>Policies | 8<br>Certificates | Amount of Insurance (a) |                                        |
| 1. In force end of prior year .....                                       | 0                  | 0                       | 10,829             | 189,308                 | 0                                                    | 0                       | 1             | 2,728             | 347,682                 | 536,990                                |
| 2. Issued during year .....                                               | 0                  | 0                       | 0                  | 0                       | 0                                                    | 0                       | 0             | 677               | 61,958                  | 61,958                                 |
| 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                       | 6                  | 363                     | 0                                                    | 0                       | 0             | 0                 | 18,903                  | 19,266                                 |
| 6. Subtotals, Lines 2 to 5 .....                                          | 0                  | 0                       | 6                  | 363                     | 0                                                    | 0                       | 0             | 677               | 80,861                  | 81,224                                 |
| 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                       | 10,835             | 189,671                 | 0                                                    | 0                       | 1             | 3,405             | 428,543                 | 618,214                                |
| Deductions during year:                                                   |                    |                         |                    |                         |                                                      |                         |               |                   |                         |                                        |
| 10. Death .....                                                           | 0                  | 0                       | 184                | 2,199                   | 0                                                    | 0                       | XXX           | 0                 | 0                       | 2,199                                  |
| 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             | 403               | 39,314                  | 39,314                                 |
| 14. Surrender .....                                                       | 0                  | 0                       | 231                | 3,471                   | 0                                                    | 0                       | 0             | 0                 | 0                       | 3,471                                  |
| 15. Lapse .....                                                           | 0                  | 0                       | 395                | 7,189                   | 0                                                    | 0                       | 0             | 0                 | 0                       | 7,189                                  |
| 16. Conversion .....                                                      | 0                  | 0                       | 0                  | 0                       | 0                                                    | 0                       | XXX           | XXX               | XXX                     | 0                                      |
| 17. Decreased (net) .....                                                 | 0                  | 0                       | 0                  | 193                     | 0                                                    | 0                       | 0             | 0                 | 0                       | 193                                    |
| 18. Reinsurance .....                                                     | 0                  | 0                       | 113                | 6,198                   | 0                                                    | 0                       | 0             | 0                 | 0                       | 6,198                                  |
| 19. Aggregate write-ins for decreases .....                               | 0                  | 0                       | 0                  | 0                       | 0                                                    | 0                       | 0             | 0                 | 0                       | 0                                      |
| 20. Totals, (Lines 10 to 19) .....                                        | 0                  | 0                       | 923                | 19,250                  | 0                                                    | 0                       | 0             | 403               | 39,314                  | 58,564                                 |
| 21. In force end of year, (Line 9 minus Line 20) .....                    | 0                  | 0                       | 9,912              | 170,421                 | 0                                                    | 0                       | 1             | 3,002             | 389,229                 | 559,650                                |
| 22. Reinsurance ceded end of year .....                                   | XXX                | 0                       | XXX                | 142,488                 | XXX                                                  | 0                       | XXX           | XXX               | 0                       | 142,488                                |
| 23. Line 21 minus Line 22 .....                                           | XXX                | 0                       | XXX                | 27,933                  | XXX                                                  | (b)                     | XXX           | XXX               | 389,229                 | 417,162                                |
| <b>DETAILS OF WRITE-INS</b>                                               |                    |                         |                    |                         |                                                      |                         |               |                   |                         |                                        |
| 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 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**EXHIBIT OF LIFE INSURANCE (Continued)**

**ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR**

|                                    | Industrial              |                                 | Ordinary                |                                 |
|------------------------------------|-------------------------|---------------------------------|-------------------------|---------------------------------|
|                                    | 1<br>Number of Policies | 2<br>Amount of Insurance<br>(a) | 3<br>Number of Policies | 4<br>Amount of Insurance<br>(a) |
| 24. Additions by dividends .....   | XXX                     | 0                               | XXX                     | 749                             |
| 25. Other paid-up insurance .....  | 0                       | 0                               | 2,924                   | 25,387                          |
| 26. Debit ordinary insurance ..... | XXX                     | XXX                             | 0                       | 0                               |

**ADDITIONAL INFORMATION ON ORDINARY INSURANCE**

|                                                         | Issued During Year<br>(Included in Line 2) |                                 | In Force End of Year<br>(Included in Line 21) |                                 |
|---------------------------------------------------------|--------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------------|
|                                                         | 1<br>Number of Policies                    | 2<br>Amount of Insurance<br>(a) | 3<br>Number of Policies                       | 4<br>Amount of Insurance<br>(a) |
| <b>Term Insurance Excluding Extended Term Insurance</b> |                                            |                                 |                                               |                                 |
| 27. Term policies - decreasing .....                    | 0                                          | 0                               | 361                                           | 17,925                          |
| 28. Term policies - other .....                         | 0                                          | 0                               | 1,069                                         | 34,383                          |
| 29. Other term insurance - decreasing .....             | XXX                                        | 0                               | XXX                                           | 0                               |
| 30. Other term insurance .....                          | XXX                                        | 0                               | XXX                                           | 0                               |
| 31. Totals, Lines 27 to 30 .....                        | 0                                          | 0                               | 1,430                                         | 52,308                          |
| Reconciliation to Lines 2 and 21:                       |                                            |                                 |                                               |                                 |
| 32. Term additions .....                                | XXX                                        | 0                               | XXX                                           | 0                               |
| 33. Totals, extended term insurance .....               | XXX                                        | XXX                             | 85                                            | 422                             |
| 34. Totals, whole life and endowment .....              | 0                                          | 0                               | 8,397                                         | 117,691                         |
| 35. Totals (Lines 31 to 34) .....                       | 0                                          | 0                               | 9,912                                         | 170,421                         |

**CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS**

|                                              | Issued During Year<br>(Included in Line 2) |               | In Force End of Year<br>(Included in Line 21) |               |
|----------------------------------------------|--------------------------------------------|---------------|-----------------------------------------------|---------------|
|                                              | 1                                          | 2             | 3                                             | 4             |
|                                              | Non-Participating                          | Participating | Non-Participating                             | Participating |
| 36. Industrial .....                         | 0                                          | 0             | 0                                             | 0             |
| 37. Ordinary .....                           | 0                                          | 0             | 149,590                                       | 20,831        |
| 38. Credit Life (Group and Individual) ..... | 0                                          | 0             | 0                                             | 0             |
| 39. Group .....                              | 61,958                                     | 0             | 389,228                                       | 0             |
| 40. Totals (Lines 36 to 39) .....            | 61,958                                     | 0             | 538,818                                       | 20,831        |

**ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE**

|                                                                                                        | Credit Life                                                     |                                 | Group                       |                                 |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------|-----------------------------|---------------------------------|
|                                                                                                        | 1<br>Number of Individual<br>Policies and Group<br>Certificates | 2<br>Amount of Insurance<br>(a) | 3<br>Number of Certificates | 4<br>Amount of Insurance<br>(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) | 9,438 |
|-----------------------------------------------------------------------------------------------------|-------|

**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**

|                             | Industrial              |                                 | Ordinary                |                                 | Credit                  |                                 | Group                       |                                 |
|-----------------------------|-------------------------|---------------------------------|-------------------------|---------------------------------|-------------------------|---------------------------------|-----------------------------|---------------------------------|
|                             | 1<br>Number of Policies | 2<br>Amount of Insurance<br>(a) | 3<br>Number of Policies | 4<br>Amount of Insurance<br>(a) | 5<br>Number of Policies | 6<br>Amount of Insurance<br>(a) | 7<br>Number of Certificates | 8<br>Amount of Insurance<br>(a) |
| 48. Waiver of Premium ..... | 0                       | 0                               | 1,211                   | 20,493                          | 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                           | 1,211                   | (b) 20,493                      | 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 2007 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<br>Involving Life Contingencies | 2<br>Not Involving Life Contingencies | 3<br>Involving Life Contingencies | 4<br>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 .....         |                                   | (a)                                   | (a)                               | (a)                                   |
| 12. Amount of income payable .....   | (a)                               | (a)                                   | (a)                               | (a)                                   |

**NONE**

**ANNUITIES**

|                                      | Ordinary       |                | Group          |                   |
|--------------------------------------|----------------|----------------|----------------|-------------------|
|                                      | 1<br>Immediate | 2<br>Deferred  | 3<br>Contracts | 4<br>Certificates |
| 1. In force end of prior year .....  | .90            | 5,188          | 0              | 0                 |
| 2. Issued during year .....          | 0              | 289            | 0              | 0                 |
| 3. Reinsurance assumed .....         | 0              | 0              | 0              | 0                 |
| 4. Increased during year (net) ..... | 2              | 0              | 0              | 0                 |
| 5. Totals (Lines 1 to 4) .....       | 92             | 5,477          | 0              | 0                 |
| Deductions during year:              |                |                |                |                   |
| 6. Decreased (net) .....             | 3              | 637            | 0              | 0                 |
| 7. Reinsurance ceded .....           | 0              | 0              | 0              | 0                 |
| 8. Totals (Lines 6 and 7) .....      | 3              | 637            | 0              | 0                 |
| 9. In force end of year .....        | 89             | 4,840          | 0              | 0                 |
| Income now payable:                  |                |                |                |                   |
| 10. Amount of income payable .....   | (a) 278,743    | XXX            | XXX            | (a) 0             |
| Deferred fully paid:                 |                |                |                |                   |
| 11. Account balance .....            | XXX            | (a) 42,269,915 | XXX            | (a) 0             |
| Deferred not fully paid:             |                |                |                |                   |
| 12. Account balance .....            | XXX            | (a) 99,486,691 | XXX            | (a) 0             |

**ACCIDENT AND HEALTH INSURANCE**

|                                      | Group             |                        | Credit        |                        | Other         |                        |
|--------------------------------------|-------------------|------------------------|---------------|------------------------|---------------|------------------------|
|                                      | 1<br>Certificates | 2<br>Premiums in Force | 3<br>Policies | 4<br>Premiums in Force | 5<br>Policies | 6<br>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. Totals (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<br>Contracts | Dividend<br>Accumulations<br>Contracts |
| 1. In force end of prior year .....  | 7                          | 2,591                                  |
| 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                          | 2,591                                  |
| Deductions During Year:              |                            |                                        |
| 6. Decreased (net) .....             | 0                          | 111                                    |
| 7. Reinsurance ceded .....           | 0                          | 0                                      |
| 8. Totals (Lines 6 and 7) .....      | 0                          | 111                                    |
| 9. In force end of year .....        | 7                          | 2,480                                  |
| 10. Amount of account balance .....  | (a) 14,743                 | (a) 2,918,442                          |

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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY  
**FORM FOR CALCULATING THE INTEREST MAINTENANCE RESERVE**

**INTEREST MAINTENANCE RESERVE**

|                                                                                                                                        | 1<br>Amount |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 1. Reserve as of December 31, Prior Year .....                                                                                         | (604,691)   |
| 2. Current year's realized pre-tax capital gains/(losses) of \$ .....(597,553) transferred into the reserve net of taxes of \$ ..... 0 | (597,553)   |
| 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) .....                           | (1,202,243) |
| 5. Current year's amortization released to Summary of Operations (Amortization, Line 1, Column 4) .....                                | (225,486)   |
| 6. Reserve as of December 31, current year (Line 4 minus Line 5)                                                                       | (976,757)   |

**AMORTIZATION**

| Year of Amortization      | 1<br>Reserve as of<br>December 31,<br>Prior Year | 2<br>Current Year's<br>Realized Capital<br>Gains/(Losses)<br>Transferred into the<br>Reserve Net of Taxes | 3<br>Adjustment for Current<br>Year's Liability<br>Gains/(Losses)<br>Released From<br>the Reserve | 4<br>Balance Before<br>Reduction for Current<br>Year's Amortization<br>(Cols. 1 + 2 + 3) |
|---------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| 1. 2007 .....             | (48,379)                                         | (177,107)                                                                                                 | 0                                                                                                 | (225,486)                                                                                |
| 2. 2008 .....             | (57,870)                                         | (158,183)                                                                                                 | 0                                                                                                 | (216,054)                                                                                |
| 3. 2009 .....             | (65,678)                                         | 34,552                                                                                                    | 0                                                                                                 | (31,126)                                                                                 |
| 4. 2010 .....             | (67,871)                                         | 3,671                                                                                                     | 0                                                                                                 | (64,199)                                                                                 |
| 5. 2011 .....             | (56,397)                                         | (27,997)                                                                                                  | 0                                                                                                 | (84,393)                                                                                 |
| 6. 2012 .....             | (34,195)                                         | (62,613)                                                                                                  | 0                                                                                                 | (96,809)                                                                                 |
| 7. 2013 .....             | (20,498)                                         | (72,694)                                                                                                  | 0                                                                                                 | (93,192)                                                                                 |
| 8. 2014 .....             | (17,976)                                         | (58,625)                                                                                                  | 0                                                                                                 | (76,601)                                                                                 |
| 9. 2015 .....             | (14,835)                                         | (42,796)                                                                                                  | 0                                                                                                 | (57,631)                                                                                 |
| 10. 2016 .....            | (9,629)                                          | (26,967)                                                                                                  | 0                                                                                                 | (36,596)                                                                                 |
| 11. 2017 .....            | (7,169)                                          | (8,794)                                                                                                   | 0                                                                                                 | (15,963)                                                                                 |
| 12. 2018 .....            | (7,435)                                          | 0                                                                                                         | 0                                                                                                 | (7,435)                                                                                  |
| 13. 2019 .....            | (8,231)                                          | 0                                                                                                         | 0                                                                                                 | (8,231)                                                                                  |
| 14. 2020 .....            | (8,497)                                          | 0                                                                                                         | 0                                                                                                 | (8,497)                                                                                  |
| 15. 2021 .....            | (9,028)                                          | 0                                                                                                         | 0                                                                                                 | (9,028)                                                                                  |
| 16. 2022 .....            | (9,559)                                          | 0                                                                                                         | 0                                                                                                 | (9,559)                                                                                  |
| 17. 2023 .....            | (10,090)                                         | 0                                                                                                         | 0                                                                                                 | (10,090)                                                                                 |
| 18. 2024 .....            | (10,887)                                         | 0                                                                                                         | 0                                                                                                 | (10,887)                                                                                 |
| 19. 2025 .....            | (11,418)                                         | 0                                                                                                         | 0                                                                                                 | (11,418)                                                                                 |
| 20. 2026 .....            | (12,214)                                         | 0                                                                                                         | 0                                                                                                 | (12,214)                                                                                 |
| 21. 2027 .....            | (12,745)                                         | 0                                                                                                         | 0                                                                                                 | (12,745)                                                                                 |
| 22. 2028 .....            | (13,808)                                         | 0                                                                                                         | 0                                                                                                 | (13,808)                                                                                 |
| 23. 2029 .....            | (14,339)                                         | 0                                                                                                         | 0                                                                                                 | (14,339)                                                                                 |
| 24. 2030 .....            | (15,401)                                         | 0                                                                                                         | 0                                                                                                 | (15,401)                                                                                 |
| 25. 2031 .....            | (16,463)                                         | 0                                                                                                         | 0                                                                                                 | (16,463)                                                                                 |
| 26. 2032 .....            | (15,401)                                         | 0                                                                                                         | 0                                                                                                 | (15,401)                                                                                 |
| 27. 2033 .....            | (12,214)                                         | 0                                                                                                         | 0                                                                                                 | (12,214)                                                                                 |
| 28. 2034 .....            | (9,028)                                          | 0                                                                                                         | 0                                                                                                 | (9,028)                                                                                  |
| 29. 2035 .....            | (5,576)                                          | 0                                                                                                         | 0                                                                                                 | (5,576)                                                                                  |
| 30. 2036 .....            | (1,858)                                          | 0                                                                                                         | 0                                                                                                 | (1,858)                                                                                  |
| 31. 2037 and Later        | 0                                                | 0                                                                                                         | 0                                                                                                 | 0                                                                                        |
| 32. Total (Lines 1 to 31) | (604,690)                                        | (597,553)                                                                                                 | 0                                                                                                 | (1,202,243)                                                                              |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**ASSET VALUATION RESERVE**

|                                                                                             | Default Component                 |                     |                             | Equity Component  |                                                  |                             | 7<br>Total Amount<br>(Cols. 3 + 6) |
|---------------------------------------------------------------------------------------------|-----------------------------------|---------------------|-----------------------------|-------------------|--------------------------------------------------|-----------------------------|------------------------------------|
|                                                                                             | 1<br>Other Than<br>Mortgage Loans | 2<br>Mortgage Loans | 3<br>Total<br>(Cols. 1 + 2) | 4<br>Common Stock | 5<br>Real Estate and<br>Other Invested<br>Assets | 6<br>Total<br>(Cols. 4 + 5) |                                    |
| 1. Reserve as of December 31, prior year .....                                              | 1,278,927                         | 0                   | 1,278,927                   | 0                 | 0                                                | 0                           | 1,278,927                          |
| 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 .....                                                                 | 335,408                           | 0                   | 335,408                     | 0                 | 0                                                | 0                           | 335,408                            |
| 8. Accumulated balances (Lines 1 through 5 - 6 + 7) .....                                   | 1,614,335                         | 0                   | 1,614,335                   | 0                 | 0                                                | 0                           | 1,614,335                          |
| 9. Maximum reserve .....                                                                    | 1,515,463                         | 0                   | 1,515,463                   | 0                 | 0                                                | 0                           | 1,515,463                          |
| 10. Reserve objective .....                                                                 | 1,038,483                         | 0                   | 1,038,483                   | 0                 | 0                                                | 0                           | 1,038,483                          |
| 11. 20% of (Line 10 - Line 8) .....                                                         | (115,170)                         | 0                   | (115,170)                   | 0                 | 0                                                | 0                           | (115,170)                          |
| 12. Balance before transfers (Lines 8 + 11) .....                                           | 1,499,165                         | 0                   | 1,499,165                   | 0                 | 0                                                | 0                           | 1,499,165                          |
| 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)                       | 1,499,165                         | 0                   | 1,499,165                   | 0                 | 0                                                | 0                           | 1,499,165                          |

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

| Line Number               | NAIC Designation | Description                                                                                | 1<br>Book/Adjusted Carrying Value | 2<br>Reclassify Related Party Encumbrances | 3<br>Add Third Party Encumbrances | 4<br>Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3) | Basic Contribution |                           | Reserve Objective |                           | Maximum Reserve |                            |
|---------------------------|------------------|--------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------|-----------------------------------|-------------------------------------------------------------|--------------------|---------------------------|-------------------|---------------------------|-----------------|----------------------------|
|                           |                  |                                                                                            |                                   |                                            |                                   |                                                             | 5<br>Factor        | 6<br>Amount (Cols. 4 x 5) | 7<br>Factor       | 8<br>Amount (Cols. 4 x 7) | 9<br>Factor     | 10<br>Amount (Cols. 4 x 9) |
| <b>LONG-TERM BONDS</b>    |                  |                                                                                            |                                   |                                            |                                   |                                                             |                    |                           |                   |                           |                 |                            |
| 1.                        |                  | Exempt Obligations .....                                                                   | 329,372                           | XXX                                        | XXX                               | 329,372                                                     | 0.0000             | 0                         | 0.0000            | 0                         | 0.0000          | 0                          |
| 2.                        | 1                | Highest Quality .....                                                                      | 91,322,085                        | XXX                                        | XXX                               | 91,322,085                                                  | 0.0004             | 36,529                    | 0.0023            | 210,041                   | 0.0030          | 273,966                    |
| 3.                        | 2                | High Quality .....                                                                         | 65,986,440                        | XXX                                        | XXX                               | 65,986,440                                                  | 0.0019             | 125,374                   | 0.0058            | 382,721                   | 0.0090          | 593,878                    |
| 4.                        | 3                | Medium Quality .....                                                                       | 8,569,090                         | XXX                                        | XXX                               | 8,569,090                                                   | 0.0093             | 79,693                    | 0.0230            | 197,089                   | 0.0340          | 291,349                    |
| 5.                        | 4                | Low Quality .....                                                                          | 3,191,469                         | XXX                                        | XXX                               | 3,191,469                                                   | 0.0213             | 67,978                    | 0.0530            | 169,148                   | 0.0750          | 239,360                    |
| 6.                        | 5                | Lower Quality .....                                                                        | 498,999                           | XXX                                        | XXX                               | 498,999                                                     | 0.0432             | 21,557                    | 0.1100            | 54,890                    | 0.1700          | 84,830                     |
| 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)                | 169,897,455                       | XXX                                        | XXX                               | 169,897,455                                                 | XXX                | 331,131                   | XXX               | 1,013,889                 | XXX             | 1,483,383                  |
| <b>PREFERRED STOCK</b>    |                  |                                                                                            |                                   |                                            |                                   |                                                             |                    |                           |                   |                           |                 |                            |
| 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                          |
| <b>SHORT - TERM BONDS</b> |                  |                                                                                            |                                   |                                            |                                   |                                                             |                    |                           |                   |                           |                 |                            |
| 18.                       |                  | Exempt Obligations .....                                                                   | 0                                 | XXX                                        | XXX                               | 0                                                           | 0.0000             | 0                         | 0.0000            | 0                         | 0.0000          | 0                          |
| 19.                       | 1                | Highest Quality .....                                                                      | 10,693,259                        | XXX                                        | XXX                               | 10,693,259                                                  | 0.0004             | 4,277                     | 0.0023            | 24,594                    | 0.0030          | 32,080                     |
| 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)                                      | 10,693,259                        | XXX                                        | XXX                               | 10,693,259                                                  | XXX                | 4,277                     | XXX               | 24,594                    | XXX             | 32,080                     |

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

| Line Number                | NAIC Designation | Description                                                                                  | 1<br>Book/Adjusted Carrying Value | 2<br>Reclassify Related Party Encumbrances | 3<br>Add Third Party Encumbrances | 4<br>Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3) | Basic Contribution |                           | Reserve Objective |                           | Maximum Reserve |                            |
|----------------------------|------------------|----------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------|-----------------------------------|-------------------------------------------------------------|--------------------|---------------------------|-------------------|---------------------------|-----------------|----------------------------|
|                            |                  |                                                                                              |                                   |                                            |                                   |                                                             | 5<br>Factor        | 6<br>Amount (Cols. 4 x 5) | 7<br>Factor       | 8<br>Amount (Cols. 4 x 7) | 9<br>Factor     | 10<br>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 (Lines 9 + 17 + 25 + 33)                                                               | 180,590,714                       | XXX                                        | XXX                               | 180,590,714                                                 | XXX                | 335,408                   | XXX               | 1,038,483                 | XXX             | 1,515,463                  |
| 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<br>Book/Adjusted Carrying Value | 2<br>Reclassify Related Party Encumbrances | 3<br>Add Third Party Encumbrances | 4<br>Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3) | Basic Contribution |                          | Reserve Objective |                           | Maximum Reserve |                            |
|-----------------------------------------------------------------|------------------|--------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------|-----------------------------------|-------------------------------------------------------------|--------------------|--------------------------|-------------------|---------------------------|-----------------|----------------------------|
|                                                                 |                  |                                                                                      |                                   |                                            |                                   |                                                             | 5<br>Factor        | 6<br>Amount (Cols.4 x 5) | 7<br>Factor       | 8<br>Amount (Cols. 4 x 7) | 9<br>Factor     | 10<br>Amount (Cols. 4 x 9) |
| <b>COMMON STOCK</b>                                             |                  |                                                                                      |                                   |                                            |                                   |                                                             |                    |                          |                   |                           |                 |                            |
| 1.                                                              |                  | Unaffiliated - Public .....                                                          | 0                                 | XXX                                        | XXX                               | 0                                                           | 0.0000             | 0                        | 0.1300 (d)        | 0                         | 0.1300 (d)      | 0                          |
| 2.                                                              |                  | Unaffiliated - Private .....                                                         | 0                                 | XXX                                        | XXX                               | 0                                                           | 0.0000             | 0                        | 0.1600            | 0                         | 0.1600          | 0                          |
| 3.                                                              |                  | Federal Home Loan Bank .....                                                         | 0                                 | XXX                                        | XXX                               | 0                                                           | 0.0000             | 0                        | 0.0050            | 0                         | 0.0080          | 0                          |
| 4.                                                              |                  | Affiliated - Life with AVR .....                                                     | 4,024,056,717                     | XXX                                        | XXX                               | 4,024,056,717                                               | 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) | 4,024,056,717                     | 0                                          | 0                                 | 4,024,056,717                                               | XXX                | 0                        | XXX               | 0                         | XXX             | 0                          |
| <b>REAL ESTATE</b>                                              |                  |                                                                                      |                                   |                                            |                                   |                                                             |                    |                          |                   |                           |                 |                            |
| 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                          |
| <b>OTHER INVESTED ASSETS</b>                                    |                  |                                                                                      |                                   |                                            |                                   |                                                             |                    |                          |                   |                           |                 |                            |
| <b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS</b> |                  |                                                                                      |                                   |                                            |                                   |                                                             |                    |                          |                   |                           |                 |                            |
| 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<br>Book/Adjusted Carrying Value | 2<br>Reclassify Related Party Encumbrances | 3<br>Add Third Party Encumbrances | 4<br>Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3) | Basic Contribution |                          | Reserve Objective |                           | Maximum Reserve |                            |
|---------------------------------------------------------------------|------------------|------------------------------------------------------------------------|-----------------------------------|--------------------------------------------|-----------------------------------|-------------------------------------------------------------|--------------------|--------------------------|-------------------|---------------------------|-----------------|----------------------------|
|                                                                     |                  |                                                                        |                                   |                                            |                                   |                                                             | 5<br>Factor        | 6<br>Amount (Cols.4 x 5) | 7<br>Factor       | 8<br>Amount (Cols. 4 x 7) | 9<br>Factor     | 10<br>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<br>Book/Adjusted Carrying Value | 2<br>Reclassify Related Party Encumbrances | 3<br>Add Third Party Encumbrances | 4<br>Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3) | Basic Contribution |                           | Reserve Objective |                           | Maximum Reserve |                            |
|-----------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------|-----------------------------------|-------------------------------------------------------------|--------------------|---------------------------|-------------------|---------------------------|-----------------|----------------------------|
|                                                                 |                  |                                                                                              |                                   |                                            |                                   |                                                             | 5<br>Factor        | 6<br>Amount (Cols. 4 x 5) | 7<br>Factor       | 8<br>Amount (Cols. 4 x 7) | 9<br>Factor     | 10<br>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                          |
| LOW INCOME HOUSING TAX CREDIT INVESTMENTS                       |                  |                                                                                              |                                   |                                            |                                   |                                                             |                    |                           |                   |                           |                 |                            |
| 66.                                                             |                  | Guaranteed Federal Low Income Housing Tax Credit .....                                       | 0                                 | 0                                          | 0                                 | 0                                                           | 0.0003             | 0                         | 0.0006            | 0                         | 0.0010          | 0                          |
| 67.                                                             |                  | Non-guaranteed Federal Low Income Housing Tax Credit .....                                   | 0                                 | 0                                          | 0                                 | 0                                                           | 0.0063             | 0                         | 0.0120            | 0                         | 0.0190          | 0                          |
| 68.                                                             |                  | State Low Income Housing Tax Credit .....                                                    | 0                                 | 0                                          | 0                                 | 0                                                           | 0.0273             | 0                         | 0.0600            | 0                         | 0.0975          | 0                          |
| 69.                                                             |                  | All Other Low Income Housing Tax Credit .....                                                | 0                                 | 0                                          | 0                                 | 0                                                           | 0.0273             | 0                         | 0.0600            | 0                         | 0.0975          | 0                          |
| 70.                                                             |                  | Total LIHTC                                                                                  | 0                                 | 0                                          | 0                                 | 0                                                           | XXX                | 0                         | XXX               | 0                         | XXX             | 0                          |
| ALL OTHER INVESTMENTS                                           |                  |                                                                                              |                                   |                                            |                                   |                                                             |                    |                           |                   |                           |                 |                            |
| 71.                                                             |                  | Other Invested Assets – Schedule BA .....                                                    | 0                                 | XXX                                        | 0                                 | 0                                                           | 0.0000             | 0                         | 0.1300            | 0                         | 0.1300          | 0                          |
| 72.                                                             |                  | Other Short-Term Invested Assets - Schedule DA .....                                         | 0                                 | XXX                                        | 0                                 | 0                                                           | 0.0000             | 0                         | 0.1300            | 0                         | 0.1300          | 0                          |
| 73.                                                             |                  | Total All Other (Sum of Lines 71 + 72) .....                                                 | 0                                 | XXX                                        | 0                                 | 0                                                           | XXX                | 0                         | XXX               | 0                         | XXX             | 0                          |
| 74.                                                             |                  | Total Other Invested Assets - Schedules BA & DA (Sum of Lines 30, 38, 55, 61, 65, 70 and 73) | 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 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SCHEDULE D - SUMMARY BY COUNTRY**

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

| Description                                                                                                                                                                    | 1<br>Book/Adjusted<br>Carrying Value           | 2<br>Fair Value | 3<br>Actual Cost | 4<br>Par Value of Bonds |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------|------------------|-------------------------|
| <b>BONDS</b>                                                                                                                                                                   |                                                |                 |                  |                         |
| Governments<br>(Including all obligations guaranteed<br>by governments)                                                                                                        | 1. United States ..... 329,372                 | 344,112         | 328,873          | 330,322                 |
|                                                                                                                                                                                | 2. Canada ..... 0                              | 0               | 0                | 0                       |
|                                                                                                                                                                                | 3. Other Countries ..... 0                     | 0               | 0                | 0                       |
|                                                                                                                                                                                | 4. Totals ..... 329,372                        | 344,112         | 328,873          | 330,322                 |
| States, Territories and Possessions<br>(Direct and guaranteed)                                                                                                                 | 5. United States ..... 0                       | 0               | 0                | 0                       |
|                                                                                                                                                                                | 6. Canada ..... 0                              | 0               | 0                | 0                       |
|                                                                                                                                                                                | 7. Other Countries ..... 0                     | 0               | 0                | 0                       |
|                                                                                                                                                                                | 8. Totals ..... 0                              | 0               | 0                | 0                       |
| Political Subdivisions of States,<br>Territories and Possessions (Direct<br>and guaranteed)                                                                                    | 9. United States ..... 0                       | 0               | 0                | 0                       |
|                                                                                                                                                                                | 10. Canada ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 11. Other Countries ..... 0                    | 0               | 0                | 0                       |
|                                                                                                                                                                                | 12. Totals ..... 0                             | 0               | 0                | 0                       |
| Special revenue and special<br>assessment obligations and all non-<br>guaranteed obligations of agencies<br>and authorities of governments and<br>their political subdivisions | 13. United States ..... 3,826,706              | 3,901,758       | 3,826,557        | 3,848,348               |
|                                                                                                                                                                                | 14. Canada ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 15. Other Countries ..... 0                    | 0               | 0                | 0                       |
|                                                                                                                                                                                | 16. Totals ..... 3,826,706                     | 3,901,758       | 3,826,557        | 3,848,348               |
| Public Utilities (unaffiliated)                                                                                                                                                | 17. United States ..... 17,056,886             | 17,340,482      | 17,053,907       | 17,069,000              |
|                                                                                                                                                                                | 18. Canada ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 19. Other Countries ..... 2,999,784            | 2,949,800       | 2,999,770        | 3,000,000               |
|                                                                                                                                                                                | 20. Totals ..... 20,056,670                    | 20,290,282      | 20,053,677       | 20,069,000              |
| Industrial and Miscellaneous and<br>Credit Tenant Loans (unaffiliated)                                                                                                         | 21. United States ..... 129,170,073            | 128,404,107     | 130,559,106      | 127,907,193             |
|                                                                                                                                                                                | 22. Canada ..... 3,583,939                     | 3,648,845       | 3,646,700        | 3,500,000               |
|                                                                                                                                                                                | 23. Other Countries ..... 12,930,695           | 13,110,089      | 13,186,394       | 12,795,000              |
|                                                                                                                                                                                | 24. Totals ..... 145,684,707                   | 145,163,041     | 147,392,200      | 144,202,193             |
| Parent, Subsidiaries and Affiliates                                                                                                                                            | 25. Totals ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 26. Total Bonds ..... 169,897,455              | 169,699,193     | 171,601,307      | 168,449,863             |
| <b>PREFERRED STOCKS</b>                                                                                                                                                        |                                                |                 |                  |                         |
| Public Utilities (unaffiliated)                                                                                                                                                | 27. United States ..... 0                      | 0               | 0                | 0                       |
|                                                                                                                                                                                | 28. Canada ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 29. Other Countries ..... 0                    | 0               | 0                | 0                       |
|                                                                                                                                                                                | 30. Totals ..... 0                             | 0               | 0                | 0                       |
| Banks, Trust and Insurance<br>Companies (unaffiliated)                                                                                                                         | 31. United States ..... 0                      | 0               | 0                | 0                       |
|                                                                                                                                                                                | 32. Canada ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 33. Other Countries ..... 0                    | 0               | 0                | 0                       |
|                                                                                                                                                                                | 34. Totals ..... 0                             | 0               | 0                | 0                       |
| Industrial and Miscellaneous<br>(unaffiliated)                                                                                                                                 | 35. United States ..... 0                      | 0               | 0                | 0                       |
|                                                                                                                                                                                | 36. Canada ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 37. Other Countries ..... 0                    | 0               | 0                | 0                       |
|                                                                                                                                                                                | 38. Totals ..... 0                             | 0               | 0                | 0                       |
| Parent, Subsidiaries and Affiliates                                                                                                                                            | 39. Totals ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 40. Total Preferred Stocks ..... 0             | 0               | 0                | 0                       |
| <b>COMMON STOCKS</b>                                                                                                                                                           |                                                |                 |                  |                         |
| Public Utilities (unaffiliated)                                                                                                                                                | 41. United States ..... 0                      | 0               | 0                | 0                       |
|                                                                                                                                                                                | 42. Canada ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 43. Other Countries ..... 0                    | 0               | 0                | 0                       |
|                                                                                                                                                                                | 44. Totals ..... 0                             | 0               | 0                | 0                       |
| Banks, Trust and Insurance<br>Companies (unaffiliated)                                                                                                                         | 45. United States ..... 0                      | 0               | 0                | 0                       |
|                                                                                                                                                                                | 46. Canada ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 47. Other Countries ..... 0                    | 0               | 0                | 0                       |
|                                                                                                                                                                                | 48. Totals ..... 0                             | 0               | 0                | 0                       |
| Industrial and Miscellaneous<br>(unaffiliated)                                                                                                                                 | 49. United States ..... 0                      | 0               | 0                | 0                       |
|                                                                                                                                                                                | 50. Canada ..... 0                             | 0               | 0                | 0                       |
|                                                                                                                                                                                | 51. Other Countries ..... 0                    | 0               | 0                | 0                       |
|                                                                                                                                                                                | 52. Totals ..... 0                             | 0               | 0                | 0                       |
| Parent, Subsidiaries and Affiliates                                                                                                                                            | 53. Totals ..... 4,024,056,717                 | 4,024,056,717   | 2,417,798,693    |                         |
|                                                                                                                                                                                | 54. Total Common Stocks ..... 4,024,056,717    | 4,024,056,717   | 2,417,798,693    |                         |
|                                                                                                                                                                                | 55. Total Stocks ..... 4,024,056,717           | 4,024,056,717   | 2,417,798,693    |                         |
|                                                                                                                                                                                | 56. Total Bonds and Stocks ..... 4,193,954,172 | 4,193,755,910   | 2,589,400,000    |                         |

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

Bonds and Stocks

|                                                                                               |                                                                              |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks,<br>prior year ..... 3,856,288,886        | 7. Amortization of premium ..... 574,171                                     |
| 2. Cost of bonds and stocks acquired, Col. 7, Part 3 ..... 28,849,104                         | 8. Foreign Exchange Adjustment:                                              |
| 3. Accrual of discount ..... 75,192                                                           | 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 ..... 347,160,231                                                 | 9. Book/adjusted carrying value at end of current period ..... 4,193,954,172 |
| 4.4 Col. 11 - 13, Part 4 ..... 0                                                              | 10. Total valuation allowance ..... 0                                        |
| 5. Total gain (loss), Col. 19, Part 4 ..... (597,553)                                         | 11. Subtotal (Lines 9 plus 10) ..... 4,193,954,172                           |
| 6. Deduct consideration for bonds and stocks disposed<br>of Column 7, Part 4 ..... 37,247,517 | 12. Total nonadmitted amounts ..... 0                                        |
|                                                                                               | 13. Statement value of bonds and stocks, current period ..... 4,193,954,172  |

ANNUAL STATEMENT FOR THE YEAR 2007 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<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>Total Current Year | 7<br>Col. 6 as a % of<br>Line 10.7 | 8<br>Total from Col. 6<br>Prior Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately<br>Placed (a) |
|--------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------|---------------------------------------|----------------------------------------|--------------------|-------------------------|------------------------------------|--------------------------------------|----------------------------------|--------------------------------|-------------------------------------|
| <b>1. U.S. Governments , Schedules D &amp; DA (Group 1)</b>                                                              |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 1.1 Class 1                                                                                                              | 76                  | 329,227                             | 69                                    | 0                                      | 0                  | 329,372                 | 0.2                                | 329,123                              | 0.2                              | 329,372                        | 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                                                                                                               | 76                  | 329,227                             | 69                                    | 0                                      | 0                  | 329,372                 | 0.2                                | 329,123                              | 0.2                              | 329,372                        | 0                                   |
| <b>2. All Other Governments , Schedules D &amp; DA (Group 2)</b>                                                         |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 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                                   |
| <b>3. States, Territories and Possessions etc.,<br/>Guaranteed, Schedules D &amp; DA (Group 3)</b>                       |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 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                                   |
| <b>4. Political Subdivisions of States, Territories and<br/>Possessions , Guaranteed, Schedules D &amp; DA (Group 4)</b> |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 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                                   |
| <b>5. Special Revenue &amp; Special Assessment Obligations<br/>etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>  |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 5.1 Class 1                                                                                                              | 369,172             | 999,950                             | 1,257,347                             | 1,137,224                              | 63,012             | 3,826,705               | 2.1                                | 0                                    | 0.0                              | 3,826,705                      | 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                                                                                                               | 369,172             | 999,950                             | 1,257,347                             | 1,137,224                              | 63,012             | 3,826,705               | 2.1                                | 0                                    | 0.0                              | 3,826,705                      | 0                                   |

ANNUAL STATEMENT FOR THE YEAR 2007 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<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>Total Current Year | 7<br>Col. 6 as a % of<br>Line 10.7 | 8<br>Total from Col. 6<br>Prior Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately<br>Placed (a) |
|-----------------------------------------------------------------------------------------|---------------------|-------------------------------------|---------------------------------------|----------------------------------------|--------------------|-------------------------|------------------------------------|--------------------------------------|----------------------------------|--------------------------------|-------------------------------------|
| <b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>               |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 6.1 Class 1                                                                             | 0                   | 0                                   | 7,773,579                             | 0                                      | 0                  | 7,773,579               | 4.3                                | 4,767,386                            | 2.6                              | 6,773,669                      | 999,910                             |
| 6.2 Class 2                                                                             | 0                   | 4,466,276                           | 7,816,816                             | 0                                      | 0                  | 12,283,092              | 6.8                                | 24,836,366                           | 13.7                             | 11,285,842                     | 997,250                             |
| 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                   | 4,466,276                           | 15,590,395                            | 0                                      | 0                  | 20,056,671              | 11.1                               | 29,603,752                           | 16.3                             | 18,059,511                     | 1,997,160                           |
| <b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b> |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 7.1 Class 1                                                                             | 14,549,877          | 39,775,320                          | 29,160,073                            | 6,929,789                              | 0                  | 90,415,059              | 50.1                               | 79,478,227                           | 43.9                             | 88,430,206                     | 1,984,853                           |
| 7.2 Class 2                                                                             | 0                   | 17,659,927                          | 29,945,720                            | 994,681                                | 5,103,021          | 53,703,349              | 29.7                               | 61,052,813                           | 33.7                             | 49,717,051                     | 3,986,298                           |
| 7.3 Class 3                                                                             | 0                   | 5,031,191                           | 3,537,899                             | 0                                      | 0                  | 8,569,090               | 4.7                                | 6,596,343                            | 3.6                              | 8,569,090                      | 0                                   |
| 7.4 Class 4                                                                             | 0                   | 3,191,469                           | 0                                     | 0                                      | 0                  | 3,191,469               | 1.8                                | 3,572,148                            | 2.0                              | 3,191,469                      | 0                                   |
| 7.5 Class 5                                                                             | 0                   | 0                                   | 498,999                               | 0                                      | 0                  | 498,999                 | 0.3                                | 498,854                              | 0.3                              | 498,999                        | 0                                   |
| 7.6 Class 6                                                                             | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                       | 0.0                                | 0                                    | 0.0                              | 0                              | 0                                   |
| 7.7 Totals                                                                              | 14,549,877          | 65,657,907                          | 63,142,691                            | 7,924,470                              | 5,103,021          | 156,377,966             | 86.6                               | 151,198,385                          | 83.5                             | 150,406,815                    | 5,971,151                           |
| <b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>                           |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 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                                   |
| <b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>           |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 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 2007 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<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>Total Current Year | 7<br>Col. 6 as a % of<br>Line 10.7 | 8<br>Total from Col. 6<br>Prior Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately<br>Placed (a) |
|--------------------------------------------------------|---------------------|-------------------------------------|---------------------------------------|----------------------------------------|--------------------|-------------------------|------------------------------------|--------------------------------------|----------------------------------|--------------------------------|-------------------------------------|
| <b>10. Total Bonds Current Year</b>                    |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 10.1 Class 1                                           | 14,919,125          | 41,104,497                          | 38,191,068                            | 8,067,013                              | 63,012             | 102,344,715             | 56.7                               | XXX                                  | XXX                              | 99,359,952                     | 2,984,763                           |
| 10.2 Class 2                                           | 0                   | 22,126,203                          | 37,762,536                            | 994,681                                | 5,103,021          | 65,986,441              | 36.5                               | XXX                                  | XXX                              | 61,002,893                     | 4,983,548                           |
| 10.3 Class 3                                           | 0                   | 5,031,191                           | 3,537,899                             | 0                                      | 0                  | 8,569,090               | 4.7                                | XXX                                  | XXX                              | 8,569,090                      | 0                                   |
| 10.4 Class 4                                           | 0                   | 3,191,469                           | 0                                     | 0                                      | 0                  | 3,191,469               | 1.8                                | XXX                                  | XXX                              | 3,191,469                      | 0                                   |
| 10.5 Class 5                                           | 0                   | 0                                   | 498,999                               | 0                                      | 0                  | (c) 498,999             | 0.3                                | XXX                                  | XXX                              | 498,999                        | 0                                   |
| 10.6 Class 6                                           | 0                   | 0                                   | 0                                     | 0                                      | 0                  | (c) 0                   | 0.0                                | XXX                                  | XXX                              | 0                              | 0                                   |
| 10.7 Totals                                            | 14,919,125          | 71,453,360                          | 79,990,502                            | 9,061,694                              | 5,166,033          | (b) 180,590,714         | 100.0                              | XXX                                  | XXX                              | 172,622,403                    | 7,968,311                           |
| 10.8 Line 10.7 as a % of Col. 6                        | 8.3                 | 39.6                                | 44.3                                  | 5.0                                    | 2.9                | 100.0                   | XXX                                | XXX                                  | XXX                              | 95.6                           | 4.4                                 |
| <b>11. Total Bonds Prior Year</b>                      |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 11.1 Class 1                                           | 5,848,600           | 21,720,841                          | 47,576,196                            | 9,429,099                              | 0                  | XXX                     | XXX                                | 84,574,736                           | 46.7                             | 82,590,687                     | 1,984,049                           |
| 11.2 Class 2                                           | 7,038,826           | 14,962,857                          | 57,290,598                            | 1,492,701                              | 5,104,197          | XXX                     | XXX                                | 85,889,179                           | 47.4                             | 81,907,118                     | 3,982,061                           |
| 11.3 Class 3                                           | 0                   | 5,092,968                           | 1,503,375                             | 0                                      | 0                  | XXX                     | XXX                                | 6,596,343                            | 3.6                              | 6,596,343                      | 0                                   |
| 11.4 Class 4                                           | 0                   | 3,572,148                           | 0                                     | 0                                      | 0                  | XXX                     | XXX                                | 3,572,148                            | 2.0                              | 3,572,148                      | 0                                   |
| 11.5 Class 5                                           | 0                   | 0                                   | 498,854                               | 0                                      | 0                  | XXX                     | XXX                                | (c) 498,854                          | 0.3                              | 498,854                        | 0                                   |
| 11.6 Class 6                                           | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                     | XXX                                | (c) 0                                | 0.0                              | 0                              | 0                                   |
| 11.7 Totals                                            | 12,887,426          | 45,348,814                          | 106,869,023                           | 10,921,800                             | 5,104,197          | XXX                     | XXX                                | (b) 181,131,260                      | 100.0                            | 175,165,150                    | 5,966,110                           |
| 11.8 Line 11.7 as a % of Col. 8                        | 7.1                 | 25.0                                | 59.0                                  | 6.0                                    | 2.8                | XXX                     | XXX                                | 100.0                                | XXX                              | 96.7                           | 3.3                                 |
| <b>12. Total Publicly Traded Bonds</b>                 |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 12.1 Class 1                                           | 14,919,125          | 41,104,498                          | 35,206,304                            | 8,067,012                              | 63,012             | 99,359,951              | 55.0                               | 82,590,687                           | 45.6                             | 99,359,951                     | XXX                                 |
| 12.2 Class 2                                           | 0                   | 20,124,268                          | 34,780,924                            | 994,681                                | 5,103,021          | 61,002,894              | 33.8                               | 81,907,118                           | 45.2                             | 61,002,894                     | XXX                                 |
| 12.3 Class 3                                           | 0                   | 5,031,191                           | 3,537,899                             | 0                                      | 0                  | 8,569,090               | 4.7                                | 6,596,343                            | 3.6                              | 8,569,090                      | XXX                                 |
| 12.4 Class 4                                           | 0                   | 3,191,469                           | 0                                     | 0                                      | 0                  | 3,191,469               | 1.8                                | 3,572,148                            | 2.0                              | 3,191,469                      | XXX                                 |
| 12.5 Class 5                                           | 0                   | 0                                   | 498,999                               | 0                                      | 0                  | 498,999                 | 0.3                                | 498,854                              | 0.3                              | 498,999                        | XXX                                 |
| 12.6 Class 6                                           | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                       | 0.0                                | 0                                    | 0.0                              | 0                              | XXX                                 |
| 12.7 Totals                                            | 14,919,125          | 69,451,426                          | 74,024,126                            | 9,061,693                              | 5,166,033          | 172,622,403             | 95.6                               | 175,165,150                          | 96.7                             | 172,622,403                    | XXX                                 |
| 12.8 Line 12.7 as a % of Col. 6                        | 8.6                 | 40.2                                | 42.9                                  | 5.2                                    | 3.0                | 100.0                   | XXX                                | XXX                                  | XXX                              | 100.0                          | XXX                                 |
| 12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10 | 8.3                 | 38.5                                | 41.0                                  | 5.0                                    | 2.9                | 95.6                    | XXX                                | XXX                                  | XXX                              | 95.6                           | XXX                                 |
| <b>13. Total Privately Placed Bonds</b>                |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                     |
| 13.1 Class 1                                           | 0                   | (1)                                 | 2,984,764                             | 1                                      | 0                  | 2,984,764               | 1.7                                | 1,984,049                            | 1.1                              | XXX                            | 2,984,764                           |
| 13.2 Class 2                                           | 0                   | 2,001,935                           | 2,981,612                             | 0                                      | 0                  | 4,983,547               | 2.8                                | 3,982,061                            | 2.2                              | XXX                            | 4,983,547                           |
| 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                   | 2,001,934                           | 5,966,376                             | 1                                      | 0                  | 7,968,311               | 4.4                                | 5,966,110                            | 3.3                              | XXX                            | 7,968,311                           |
| 13.8 Line 13.7 as a % of Col. 6                        | 0.0                 | 25.1                                | 74.9                                  | 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                 | 1.1                                 | 3.3                                   | 0.0                                    | 0.0                | 4.4                     | XXX                                | XXX                                  | XXX                              | XXX                            | 4.4                                 |

(a) Includes \$ 6,981,958 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 2007 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<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>Total Current Year | 7<br>Col. 6 as a % of<br>Line 10.7 | 8<br>Total from Col. 6 Prior<br>Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately<br>Placed |
|---------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------|---------------------------------------|----------------------------------------|--------------------|-------------------------|------------------------------------|--------------------------------------|----------------------------------|--------------------------------|---------------------------------|
| <b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>                                                          |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 1.1 Issuer Obligations                                                                                              | 0                   | 329,034                             | 0                                     | 0                                      | 0                  | 329,034                 | 0.2                                | 328,755                              | 0.2                              | 329,034                        | 0                               |
| 1.2 Single Class Mortgage-Backed /Asset Backed Securities                                                           | 76                  | 194                                 | 69                                    | 0                                      | 0                  | 339                     | 0.0                                | 368                                  | 0.0                              | 339                            | 0                               |
| 1.7 Totals                                                                                                          | 76                  | 329,228                             | 69                                    | 0                                      | 0                  | 329,373                 | 0.2                                | 329,123                              | 0.2                              | 329,373                        | 0                               |
| <b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>                                                     |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 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                               |
| <b>3. States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 3)</b>                           |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 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                               |
| <b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b> |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 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                               |
| <b>5. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b> |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 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                                                           | 369,172             | 999,950                             | 611,073                               | 417,938                                | 63,012             | 2,461,145               | 1.4                                | 0                                    | 0.0                              | 2,461,145                      | 0                               |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:                                                                 |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 5.3 Defined                                                                                                         | 0                   | 0                                   | 646,274                               | 719,285                                | 0                  | 1,365,559               | 0.8                                | 0                                    | 0.0                              | 1,365,559                      | 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                                                                                                          | 369,172             | 999,950                             | 1,257,347                             | 1,137,223                              | 63,012             | 3,826,704               | 2.1                                | 0                                    | 0.0                              | 3,826,704                      | 0                               |

ANNUAL STATEMENT FOR THE YEAR 2007 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<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>Total Current Year | 7<br>Col. 6 as a % of<br>Line 10.7 | 8<br>Total from Col. 6<br>Prior Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately<br>Placed |
|---------------------------------------------------------------------------------------|---------------------|-------------------------------------|---------------------------------------|----------------------------------------|--------------------|-------------------------|------------------------------------|--------------------------------------|----------------------------------|--------------------------------|---------------------------------|
| <b>6. Public Utilities (Unaffiliated) Schedules D &amp; DA (Group 6)</b>              |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 6.1 Issuer Obligations .....                                                          | 0                   | 4,466,276                           | 15,590,394                            | 0                                      | 0                  | 20,056,670              | 11.1                               | 29,603,752                           | 16.3                             | 18,059,510                     | 1,997,160                       |
| 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-<br>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                   | 4,466,276                           | 15,590,394                            | 0                                      | 0                  | 20,056,670              | 11.1                               | 29,603,752                           | 16.3                             | 18,059,510                     | 1,997,160                       |
| <b>7. Industrial and Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b> |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 7.1 Issuer Obligations .....                                                          | 14,193,078          | 60,030,595                          | 58,112,753                            | 3,997,680                              | 5,103,021          | 141,437,127             | 78.3                               | 137,421,378                          | 75.9                             | 135,465,976                    | 5,971,151                       |
| 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 .....                                                                     | 59,589              | 1,699,353                           | 2,918,397                             | 2,787,399                              | 0                  | 7,464,738               | 4.1                                | 7,490,351                            | 4.1                              | 7,464,738                      | 0                               |
| 7.4 Other .....                                                                       | 65,884              | 822,491                             | 1,106,069                             | 1,139,390                              | 0                  | 3,133,834               | 1.7                                | 3,185,279                            | 1.8                              | 3,133,834                      | 0                               |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-<br>BACKED SECURITIES:                   |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 7.5 Defined .....                                                                     | 231,326             | 3,105,469                           | 1,005,473                             | 0                                      | 0                  | 4,342,268               | 2.4                                | 3,101,375                            | 1.7                              | 4,342,268                      | 0                               |
| 7.6 Other .....                                                                       | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                       | 0.0                                | 0                                    | 0.0                              | 0                              | 0                               |
| 7.7 Totals                                                                            | 14,549,877          | 65,657,908                          | 63,142,692                            | 7,924,469                              | 5,103,021          | 156,377,967             | 86.6                               | 151,198,383                          | 83.5                             | 150,406,816                    | 5,971,151                       |
| <b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>                         |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 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                               |
| <b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>         |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 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-<br>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 2007 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<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>Total Current Year | 7<br>Col. 6 as a % of<br>Line 10.7 | 8<br>Total from Col. 6 Prior<br>Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately<br>Placed |
|-----------------------------------------------------------------|---------------------|-------------------------------------|---------------------------------------|----------------------------------------|--------------------|-------------------------|------------------------------------|--------------------------------------|----------------------------------|--------------------------------|---------------------------------|
| <b>10. Total Bonds Current Year</b>                             |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 10.1 Issuer Obligations                                         | 14,193,078          | 64,825,905                          | 73,703,147                            | 3,997,680                              | 5,103,021          | 161,822,831             | 89.6                               | XXX                                  | XXX                              | 153,854,520                    | 7,968,311                       |
| 10.2 Single Class Mortgage-Backed /Asset Backed Securities      | 369,248             | 1,000,144                           | 611,142                               | 417,938                                | 63,012             | 2,461,484               | 1.4                                | XXX                                  | XXX                              | 2,461,484                      | 0                               |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:             |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 10.3 Defined                                                    | 59,589              | 1,699,353                           | 3,564,671                             | 3,506,684                              | 0                  | 8,830,297               | 4.9                                | XXX                                  | XXX                              | 8,830,297                      | 0                               |
| 10.4 Other                                                      | 65,884              | 822,491                             | 1,106,069                             | 1,139,390                              | 0                  | 3,133,834               | 1.7                                | XXX                                  | XXX                              | 3,133,834                      | 0                               |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 10.5 Defined                                                    | 231,326             | 3,105,469                           | 1,005,473                             | 0                                      | 0                  | 4,342,268               | 2.4                                | XXX                                  | XXX                              | 4,342,268                      | 0                               |
| 10.6 Other                                                      | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                       | 0.0                                | XXX                                  | XXX                              | 0                              | 0                               |
| 10.7 Totals                                                     | 14,919,125          | 71,453,362                          | 79,990,502                            | 9,061,692                              | 5,166,033          | 180,590,714             | 100.0                              | XXX                                  | XXX                              | 172,622,403                    | 7,968,311                       |
| 10.8 Line 10.7 as a % of Col. 6                                 | 8.3                 | 39.6                                | 44.3                                  | 5.0                                    | 2.9                | 100.0                   | XXX                                | XXX                                  | XXX                              | 95.6                           | 4.4                             |
| <b>11. Total Bonds Prior Year</b>                               |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 11.1 Issuer Obligations                                         | 11,777,899          | 41,506,265                          | 102,464,925                           | 6,500,599                              | 5,104,197          | XXX                     | XXX                                | 167,353,885                          | 92.4                             | 161,387,776                    | 5,966,109                       |
| 11.2 Single Class Mortgage-Backed /Asset Backed Securities      | 110                 | 208                                 | 50                                    | 0                                      | 0                  | XXX                     | XXX                                | 368                                  | 0.0                              | 368                            | 0                               |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:             |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 11.3 Defined                                                    | 33,025              | 1,149,677                           | 3,221,936                             | 3,085,713                              | 0                  | XXX                     | XXX                                | 7,490,351                            | 4.1                              | 7,490,351                      | 0                               |
| 11.4 Other                                                      | 53,614              | 614,065                             | 1,182,113                             | 1,335,487                              | 0                  | XXX                     | XXX                                | 3,185,279                            | 1.8                              | 3,185,279                      | 0                               |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 11.5 Defined                                                    | 1,022,777           | 2,078,598                           | 0                                     | 0                                      | 0                  | XXX                     | XXX                                | 3,101,375                            | 1.7                              | 3,101,375                      | 0                               |
| 11.6 Other                                                      | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                     | XXX                                | 0                                    | 0.0                              | 0                              | 0                               |
| 11.7 Totals                                                     | 12,887,425          | 45,348,813                          | 106,869,024                           | 10,921,799                             | 5,104,197          | XXX                     | XXX                                | 181,131,258                          | 100.0                            | 175,165,149                    | 5,966,109                       |
| 11.8 Line 11.7 as a % of Col. 8                                 | 7.1                 | 25.0                                | 59.0                                  | 6.0                                    | 2.8                | XXX                     | XXX                                | 100.0                                | XXX                              | 96.7                           | 3.3                             |
| <b>12. Total Publicly Traded Bonds</b>                          |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 12.1 Issuer Obligations                                         | 14,193,078          | 62,823,969                          | 67,736,771                            | 3,997,680                              | 5,103,021          | 153,854,519             | 85.2                               | 161,387,776                          | 89.1                             | 153,854,519                    | XXX                             |
| 12.2 Single Class Mortgage-Backed /Asset Backed Securities      | 369,247             | 1,000,144                           | 611,142                               | 417,938                                | 63,012             | 2,461,483               | 1.4                                | 368                                  | 0.0                              | 2,461,483                      | XXX                             |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:             |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 12.3 Defined                                                    | 59,589              | 1,699,353                           | 3,564,671                             | 3,506,684                              | 0                  | 8,830,297               | 4.9                                | 7,490,351                            | 4.1                              | 8,830,297                      | XXX                             |
| 12.4 Other                                                      | 65,884              | 822,491                             | 1,106,069                             | 1,139,390                              | 0                  | 3,133,834               | 1.7                                | 3,185,279                            | 1.8                              | 3,133,834                      | XXX                             |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 12.5 Defined                                                    | 231,326             | 3,105,469                           | 1,005,473                             | 0                                      | 0                  | 4,342,268               | 2.4                                | 3,101,375                            | 1.7                              | 4,342,268                      | XXX                             |
| 12.6 Other                                                      | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                       | 0.0                                | 0                                    | 0.0                              | 0                              | XXX                             |
| 12.7 Totals                                                     | 14,919,124          | 69,451,426                          | 74,024,126                            | 9,061,692                              | 5,166,033          | 172,622,401             | 95.6                               | 175,165,149                          | 96.7                             | 172,622,401                    | XXX                             |
| 12.8 Line 12.7 as a % of Col. 6                                 | 8.6                 | 40.2                                | 42.9                                  | 5.2                                    | 3.0                | 100.0                   | XXX                                | XXX                                  | XXX                              | 100.0                          | XXX                             |
| 12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10          | 8.3                 | 38.5                                | 41.0                                  | 5.0                                    | 2.9                | 95.6                    | XXX                                | XXX                                  | XXX                              | 95.6                           | XXX                             |
| <b>13. Total Privately Placed Bonds</b>                         |                     |                                     |                                       |                                        |                    |                         |                                    |                                      |                                  |                                |                                 |
| 13.1 Issuer Obligations                                         | 0                   | 2,001,936                           | 5,966,376                             | 0                                      | 0                  | 7,968,312               | 4.4                                | 5,966,109                            | 3.3                              | XXX                            | 7,968,312                       |
| 13.2 Single Class Mortgage-Backed /Asset Backed Securities      | 1                   | 0                                   | 0                                     | 0                                      | 0                  | 1                       | 0.0                                | 0                                    | 0.0                              | XXX                            | 1                               |
| 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                                                     | 1                   | 2,001,936                           | 5,966,376                             | 0                                      | 0                  | 7,968,313               | 4.4                                | 5,966,109                            | 3.3                              | XXX                            | 7,968,313                       |
| 13.8 Line 13.7 as a % of Col. 6                                 | 0.0                 | 25.1                                | 74.9                                  | 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                 | 1.1                                 | 3.3                                   | 0.0                                    | 0.0                | 4.4                     | XXX                                | XXX                                  | XXX                              | XXX                            | 4.4                             |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY  
**SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS**

Short-Term Investments

|                                                                       | 1          | 2          | 3              | 4                                         | 5                                                     |
|-----------------------------------------------------------------------|------------|------------|----------------|-------------------------------------------|-------------------------------------------------------|
|                                                                       | Total      | Bonds      | Mortgage Loans | Other Short-term<br>Investment Assets (a) | Investments in Parent,<br>Subsidiaries and Affiliates |
| 1. Book/adjusted carrying value, December 31 of prior year .....      | 1,738,859  | 1,738,859  | 0              | 0                                         | 0                                                     |
| 2. Cost of short-term investments acquired .....                      | 56,814,805 | 56,814,805 | 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 ..... | 47,860,405 | 47,860,405 | 0              | 0                                         | 0                                                     |
| 7. Book/adjusted carrying value, current year .....                   | 10,693,259 | 10,693,259 | 0              | 0                                         | 0                                                     |
| 8. Total valuation allowance .....                                    | 0          | 0          | 0              | 0                                         | 0                                                     |
| 9. Subtotal (Lines 7 plus 8) .....                                    | 10,693,259 | 10,693,259 | 0              | 0                                         | 0                                                     |
| 10. Total nonadmitted amounts .....                                   | 0          | 0          | 0              | 0                                         | 0                                                     |
| 11. Statement value (Lines 9 minus 10) .....                          | 10,693,259 | 10,693,259 | 0              | 0                                         | 0                                                     |
| 12. Income collected during year .....                                | 227,239    | 227,239    | 0              | 0                                         | 0                                                     |
| 13. Income earned during year .....                                   | 268,884    | 268,884    | 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 2007 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<br>NAIC<br>Company<br>Code             | 2<br>Federal ID<br>Number | 3<br>Effective<br>Date | 4<br>Name of Reinsured                   | 5<br>Location  | 6<br>Type of<br>Reinsurance<br>Assumed | 7<br>Amount of In Force at<br>End of Year | 8<br>Reserve | 9<br>Premiums | 10<br>Reinsurance Payable<br>on Paid and<br>Unpaid Losses | 11<br>Modified<br>Coinsurance<br>Reserve | 12<br>Funds Withheld<br>Under Coinsurance |
|------------------------------------------|---------------------------|------------------------|------------------------------------------|----------------|----------------------------------------|-------------------------------------------|--------------|---------------|-----------------------------------------------------------|------------------------------------------|-------------------------------------------|
| 65056                                    | 38-1659835                | 10/01/1990             | JACKSON NATIONAL LIFE INSURANCE COMPANY  | LANSING, MI    | .CO/1                                  | 41,718,353                                | 17,912,993   | 632,610       | 247,434                                                   | 0                                        | 0                                         |
| 65056                                    | 38-1659835                | 12/30/1988             | JACKSON NATIONAL LIFE INSURANCE COMPANY  | LANSING, MI    | .CO/1                                  | 111,742,299                               | 36,985,407   | 724,938       | 525,913                                                   | 0                                        | 0                                         |
| 0199999. General Account, Affiliates     |                           |                        |                                          |                |                                        | 153,460,652                               | 54,898,400   | 1,357,548     | 773,347                                                   | 0                                        | 0                                         |
| 60305                                    | 38-1290976                | 10/01/1997             | AMERICAN COMMUNITY MUTUAL LIFE INSURANCE | LIVONIA, MI    | .CO/1                                  | 15,720,420                                | 7,801,388    | 208,774       | 35,000                                                    | 0                                        | 0                                         |
| 69744                                    | 13-1423090                | 12/31/1994             | UNION LABOR                              | WASHINGTON, DC | .CO/1                                  | 0                                         | 0            | (554,123)     | 0                                                         | 0                                        | 0                                         |
| 0299999. General Account, Non-Affiliates |                           |                        |                                          |                |                                        | 15,720,420                                | 7,801,388    | (345,349)     | 35,000                                                    | 0                                        | 0                                         |
| 0399999. Total General Account           |                           |                        |                                          |                |                                        | 169,181,072                               | 62,699,788   | 1,012,199     | 808,347                                                   | 0                                        | 0                                         |
| 0699999. Total Separate Accounts         |                           |                        |                                          |                |                                        | 0                                         | 0            | 0             | 0                                                         | 0                                        | 0                                         |
| 0799999 - Totals                         |                           |                        |                                          |                |                                        | 169,181,072                               | 62,699,788   | 1,012,199     | 808,347                                                   | 0                                        | 0                                         |

ANNUAL STATEMENT FOR THE YEAR 2007 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<br>NAIC<br>Company<br>Code | 2<br>Federal ID<br>Number | 3<br>Effective<br>Date | 4<br>Name of Reinsured | 5<br>Location | 6<br>Type of<br>Reinsurance<br>Assumed | 7<br>Premiums | 8<br>Unearned<br>Premiums | 9<br>Reserve Liability<br>Other Than for<br>Unearned<br>Premiums | 10<br>Reinsurance Payable<br>on Paid and<br>Unpaid Losses | 11<br>Modified<br>Coinsurance<br>Reserve | 12<br>Funds Withheld<br>Under Coinsurance |
|------------------------------|---------------------------|------------------------|------------------------|---------------|----------------------------------------|---------------|---------------------------|------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------|-------------------------------------------|
| <b>NONE</b>                  |                           |                        |                        |               |                                        |               |                           |                                                                  |                                                           |                                          |                                           |
| 0399999 - Totals             |                           |                        |                        |               |                                        |               |                           |                                                                  |                                                           |                                          |                                           |



ANNUAL STATEMENT FOR THE YEAR 2007 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<br>NAIC<br>Company<br>Code                                 | 2<br>Federal ID<br>Number | 3<br>Effective<br>Date | 4<br>Name of Company                    | 5<br>Location     | 6<br>Type of<br>Reinsurance<br>Ceded | 7<br>Amount in Force<br>at End of Year | Reserve Credit Taken |                 | 10<br>Premiums | Outstanding Surplus Relief |                  | 13<br>Modified<br>Coinsurance<br>Reserve | 14<br>Funds Withheld<br>Under<br>Coinsurance |
|--------------------------------------------------------------|---------------------------|------------------------|-----------------------------------------|-------------------|--------------------------------------|----------------------------------------|----------------------|-----------------|----------------|----------------------------|------------------|------------------------------------------|----------------------------------------------|
|                                                              |                           |                        |                                         |                   |                                      |                                        | 8<br>Current Year    | 9<br>Prior Year |                | 11<br>Current Year         | 12<br>Prior Year |                                          |                                              |
| 65056                                                        | 38-1659835                | 10/01/1990             | JACKSON NATIONAL LIFE INSURANCE COMPANY | LANSING, MI       | CO/I                                 | 117,500                                | 0                    | 0               | 6,441          | 0                          | 0                | 0                                        | 0                                            |
| 0199999. Authorized General Account, Affiliates              |                           |                        |                                         |                   |                                      | 117,500                                | 0                    | 0               | 6,441          | 0                          | 0                | 0                                        | 0                                            |
| 11121                                                        | 43-1917728                | 10/01/1990             | UNIFIED LIFE INSURANCE COMPANY          | OVERLAND PARK, KS | CO/I                                 | 7,860,000                              | 3,900,694            | 3,975,885       | 104,387        | 0                          | 0                | 0                                        | 0                                            |
| 11121                                                        | 43-1917728                | 01/01/1991             | UNIFIED LIFE INSURANCE COMPANY          | OVERLAND PARK, KS | CO/I                                 | 413,663                                | 62,421               | 65,882          | 3,173          | 0                          | 0                | 0                                        | 0                                            |
| 88099                                                        | 75-1608507                | 06/01/1991             | OPTIMUM RE INSURANCE COMPANY            | DALLAS, TX        | YRT/I                                | 259,957                                | 959                  | 898             | 1,034          | 0                          | 0                | 0                                        | 0                                            |
| 11121                                                        | 43-1917728                | 10/01/1990             | UNIFIED LIFE INSURANCE COMPANY          | OVERLAND PARK, KS | CO/I                                 | 33,374,400                             | 14,330,394           | 14,874,463      | 503,883        | 0                          | 0                | 0                                        | 0                                            |
| 11121                                                        | 43-1917728                | 12/30/1988             | UNIFIED LIFE INSURANCE COMPANY          | OVERLAND PARK, KS | MCO/I                                | 100,462,500                            | 0                    | 0               | 650,370        | 0                          | 0                | 36,985,407                               | 0                                            |
| 0299999. Authorized General Account, Non-Affiliates          |                           |                        |                                         |                   |                                      | 142,370,520                            | 18,294,468           | 18,917,128      | 1,262,847      | 0                          | 0                | 36,985,407                               | 0                                            |
| 0399999. Total Authorized General Account                    |                           |                        |                                         |                   |                                      | 142,488,020                            | 18,294,468           | 18,917,128      | 1,269,288      | 0                          | 0                | 36,985,407                               | 0                                            |
| 0699999. Total Unauthorized General Account                  |                           |                        |                                         |                   |                                      | 0                                      | 0                    | 0               | 0              | 0                          | 0                | 0                                        | 0                                            |
| 0799999. Total Authorized and Unauthorized General Account   |                           |                        |                                         |                   |                                      | 142,488,020                            | 18,294,468           | 18,917,128      | 1,269,288      | 0                          | 0                | 36,985,407                               | 0                                            |
| 1099999. Total Authorized Separate Accounts                  |                           |                        |                                         |                   |                                      | 0                                      | 0                    | 0               | 0              | 0                          | 0                | 0                                        | 0                                            |
| 1399999. Total Unauthorized Separate Accounts                |                           |                        |                                         |                   |                                      | 0                                      | 0                    | 0               | 0              | 0                          | 0                | 0                                        | 0                                            |
| 1499999. Total Authorized and Unauthorized Separate Accounts |                           |                        |                                         |                   |                                      | 0                                      | 0                    | 0               | 0              | 0                          | 0                | 0                                        | 0                                            |
| 1599999 - Totals                                             |                           |                        |                                         |                   |                                      | 142,488,020                            | 18,294,468           | 18,917,128      | 1,269,288      | 0                          | 0                | 36,985,407                               | 0                                            |

Schedule S - Part 3 - Section 2

**NONE**

Schedule S - Part 4

**NONE**



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SCHEDULE S - PART 5**

Five Year Exhibit of Reinsurance Ceded Business (000 omitted)

|                                                                                                                  | 1<br>2007 | 2<br>2006 | 3<br>2005 | 4<br>2004 | 5<br>2003 |
|------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>A. OPERATIONS ITEMS</b>                                                                                       |           |           |           |           |           |
| 1. Premiums and annuity considerations for life and accident and health contracts .....                          | 1,269     | 1,364     | 1,534     | 1,621     | 1,817     |
| 2. Commissions and reinsurance expense allowances .....                                                          | 257       | 273       | 291       | 317       | 341       |
| 3. Contract claims .....                                                                                         | 2,945     | 3,155     | 2,482     | 3,588     | 2,846     |
| 4. Surrender benefits and withdrawals for life contracts .....                                                   | 1,103     | 1,773     | 1,375     | 1,525     | 1,461     |
| 5. Dividends to policyholders .....                                                                              | 105       | 116       | 135       | 148       | 167       |
| 6. Reserve adjustments on reinsurance ceded .....                                                                | (800)     | (2,269)   | (873)     | (1,345)   | (1,098)   |
| 7. Increase in aggregate reserve for life and accident and health contracts .....                                | (418)     | (454)     | (633)     | (985)     | (1,286)   |
| <b>B. BALANCE SHEET ITEMS</b>                                                                                    |           |           |           |           |           |
| 8. Premiums and annuity considerations for life and accident and health contracts deferred and uncollected ..... | 184       | 222       | 219       | 235       | 249       |
| 9. Aggregate reserves for life and accident and health contracts .....                                           | 16,990    | 17,407    | 17,861    | 18,494    | 19,479    |
| 10. Liability for deposit-type contracts .....                                                                   | 1,305     | 1,510     | 1,534     | 1,601     | 1,654     |
| 11. Contract claims unpaid .....                                                                                 | 317       | 159       | 38        | 125       | 68        |
| 12. Amounts recoverable on reinsurance .....                                                                     | 39        | 25        | 0         | 237       | 44        |
| 13. Experience rating refunds due or unpaid .....                                                                | 0         | 0         | 0         | 8         | 0         |
| 14. Policyholders' dividends (not included in Line 10) .....                                                     | 96        | 103       | 108       | 113       | 118       |
| 15. Commissions and reinsurance expense allowances unpaid .....                                                  | 0         | 0         | 1         | 1         | 0         |
| 16. Unauthorized reinsurance offset .....                                                                        | 0         | 0         | 0         | 0         | 0         |
| <b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>                                         |           |           |           |           |           |
| 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 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SCHEDULE S - PART 6**

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

|                                                                                          | 1<br>As Reported<br>(net of ceded) | 2<br>Restatement<br>Adjustments | 3<br>Restated<br>(gross of ceded) |
|------------------------------------------------------------------------------------------|------------------------------------|---------------------------------|-----------------------------------|
| <b>ASSETS (Page 2, Col. 3)</b>                                                           |                                    |                                 |                                   |
| 1. Cash and invested assets (Line 10) .....                                              | 4,207,764,777                      | 3,116,659                       | 4,210,881,436                     |
| 2. Reinsurance (Line 14) .....                                                           | 83,822                             | (83,822)                        | 0                                 |
| 3. Premiums and considerations (Line 13) .....                                           | 148,157                            | 184,296                         | 332,453                           |
| 4. Net credit for ceded reinsurance .....                                                | XXX                                | 15,518,443                      | 15,518,443                        |
| 5. All other admitted assets (balance) .....                                             | 2,879,440                          | 0                               | 2,879,440                         |
| 6. Total assets excluding Separate Accounts (Line 24) .....                              | 4,210,876,196                      | 18,735,576                      | 4,229,611,772                     |
| 7. Separate Account assets (Line 25) .....                                               | 0                                  | 0                               | 0                                 |
| 8. Total assets (Line 26) .....                                                          | 4,210,876,196                      | 18,735,576                      | 4,229,611,772                     |
| <b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>                                         |                                    |                                 |                                   |
| 9. Contract reserves (Lines 1 and 2) .....                                               | 171,078,053                        | 16,989,592                      | 188,067,645                       |
| 10. Liability for deposit-type contracts (Line 3) .....                                  | 3,059,363                          | 1,304,876                       | 4,364,239                         |
| 11. Claim reserves (Line 4) .....                                                        | 1,250,311                          | 317,100                         | 1,567,411                         |
| 12. Policyholder dividends/reserves (Lines 5 through 7) .....                            | 45,915                             | 96,468                          | 142,383                           |
| 13. Premium & annuity considerations received in advance (Line 8) .....                  | 2,447                              | 5,514                           | 7,961                             |
| 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                                  | 0                               | 0                                 |
| 17. All other liabilities (balance) .....                                                | 1,527,131,374                      | 22,026                          | 1,527,153,400                     |
| 18. Total liabilities excluding Separate Accounts (Line 26) .....                        | 1,702,567,463                      | 18,735,576                      | 1,721,303,039                     |
| 19. Separate Account liabilities (Line 27) .....                                         | 0                                  | 0                               | 0                                 |
| 20. Total liabilities (Line 28) .....                                                    | 1,702,567,463                      | 18,735,576                      | 1,721,303,039                     |
| 21. Capital & surplus (Line 38) .....                                                    | 2,508,308,733                      | XXX                             | 2,508,308,733                     |
| 22. Total liabilities, capital & surplus (Line 39) .....                                 | 4,210,876,196                      | 18,735,576                      | 4,229,611,772                     |
| <b>NET CREDIT FOR CEDED REINSURANCE</b>                                                  |                                    |                                 |                                   |
| 23. Contract reserves .....                                                              | 16,989,592                         |                                 |                                   |
| 24. Claim reserves .....                                                                 | 317,100                            |                                 |                                   |
| 25. Policyholder dividends/reserves .....                                                | 96,468                             |                                 |                                   |
| 26. Premium & annuity considerations received in advance .....                           | 5,514                              |                                 |                                   |
| 27. Liability for deposit-type contracts .....                                           | 1,304,876                          |                                 |                                   |
| 28. Other contract liabilities .....                                                     | 0                                  |                                 |                                   |
| 29. Reinsurance ceded assets .....                                                       | 83,822                             |                                 |                                   |
| 30. Other ceded reinsurance recoverables .....                                           | (3,116,659)                        |                                 |                                   |
| 31. Total ceded reinsurance recoverables .....                                           | 15,680,713                         |                                 |                                   |
| 32. Premiums and considerations .....                                                    | 184,296                            |                                 |                                   |
| 33. Reinsurance in unauthorized companies .....                                          | 0                                  |                                 |                                   |
| 34. Funds held under reinsurance treaties with unauthorized reinsurers .....             | 0                                  |                                 |                                   |
| 35. Other ceded reinsurance payables/offsets .....                                       | (22,026)                           |                                 |                                   |
| 36. Total ceded reinsurance payable/offsets .....                                        | 162,270                            |                                 |                                   |
| 37. Total net credit for ceded reinsurance .....                                         | 15,518,443                         |                                 |                                   |

**ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY**  
**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**

Allocated by States and Territories

| States, Etc.                                                                               | 1                                | Life Contracts          |                        | Direct Business Only                                                                |                      | 6                         | 7                      |
|--------------------------------------------------------------------------------------------|----------------------------------|-------------------------|------------------------|-------------------------------------------------------------------------------------|----------------------|---------------------------|------------------------|
|                                                                                            |                                  | 2                       | 3                      | 4                                                                                   | 5                    |                           |                        |
|                                                                                            | Is Insurer Licensed? (Yes or No) | Life Insurance Premiums | Annuity Considerations | Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees | Other Considerations | Total Columns 2 through 5 | Deposit-Type Contracts |
| 1. Alabama                                                                                 | AL                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 2. Alaska                                                                                  | AK                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 3. Arizona                                                                                 | AZ                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 4. Arkansas                                                                                | AR                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 5. California                                                                              | CA                               | 192                     | 27,380                 | .0                                                                                  | .0                   | 27,572                    | .0                     |
| 6. Colorado                                                                                | CO                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 7. Connecticut                                                                             | CT                               | 182                     | .0                     | .0                                                                                  | .0                   | 182                       | .0                     |
| 8. Delaware                                                                                | DE                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 9. District of Columbia                                                                    | DC                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 10. Florida                                                                                | FL                               | 1,059                   | .0                     | .0                                                                                  | .0                   | 1,059                     | .0                     |
| 11. Georgia                                                                                | GA                               | 298                     | .0                     | .0                                                                                  | .0                   | 298                       | .0                     |
| 12. Hawaii                                                                                 | HI                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 13. Idaho                                                                                  | ID                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 14. Illinois                                                                               | IL                               | 195                     | .0                     | .0                                                                                  | .0                   | 195                       | .0                     |
| 15. Indiana                                                                                | IN                               | 1,282                   | .0                     | .0                                                                                  | .0                   | 1,282                     | .0                     |
| 16. Iowa                                                                                   | IA                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 17. Kansas                                                                                 | KS                               | 153                     | .0                     | .0                                                                                  | .0                   | 153                       | .0                     |
| 18. Kentucky                                                                               | KY                               | 26                      | .0                     | .0                                                                                  | .0                   | 26                        | .0                     |
| 19. Louisiana                                                                              | LA                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 20. Maine                                                                                  | ME                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 21. Maryland                                                                               | MD                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 22. Massachusetts                                                                          | MA                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 23. Michigan                                                                               | MI                               | YES                     | 680,802                | 19,839,018                                                                          | .0                   | 20,519,820                | .0                     |
| 24. Minnesota                                                                              | MN                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 25. Mississippi                                                                            | MS                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 26. Missouri                                                                               | MO                               | 350                     | .0                     | .0                                                                                  | .0                   | 350                       | .0                     |
| 27. Montana                                                                                | MT                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 28. Nebraska                                                                               | NE                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 29. Nevada                                                                                 | NV                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 30. New Hampshire                                                                          | NH                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 31. New Jersey                                                                             | NJ                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 32. New Mexico                                                                             | NM                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 33. New York                                                                               | NY                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 34. North Carolina                                                                         | NC                               | .0                      | 206                    | .0                                                                                  | .0                   | 206                       | .0                     |
| 35. North Dakota                                                                           | ND                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 36. Ohio                                                                                   | OH                               | .0                      | 88                     | .0                                                                                  | .0                   | 88                        | .0                     |
| 37. Oklahoma                                                                               | OK                               | .0                      | 219                    | .0                                                                                  | .0                   | 219                       | .0                     |
| 38. Oregon                                                                                 | OR                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 39. Pennsylvania                                                                           | PA                               | .0                      | 85                     | .0                                                                                  | .0                   | 85                        | .0                     |
| 40. Rhode Island                                                                           | RI                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 41. South Carolina                                                                         | SC                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 42. South Dakota                                                                           | SD                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 43. Tennessee                                                                              | TN                               | .0                      | .0                     | 84,433                                                                              | .0                   | 84,433                    | .0                     |
| 44. Texas                                                                                  | TX                               | .0                      | 210                    | .0                                                                                  | .0                   | 210                       | .0                     |
| 45. Utah                                                                                   | UT                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 46. Vermont                                                                                | VT                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 47. Virginia                                                                               | VA                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 48. Washington                                                                             | WA                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 49. West Virginia                                                                          | WV                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 50. Wisconsin                                                                              | WI                               | .0                      | .0                     | 500,000                                                                             | .0                   | 500,000                   | .0                     |
| 51. Wyoming                                                                                | WY                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 52. American Samoa                                                                         | AS                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 53. Guam                                                                                   | GU                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 54. Puerto Rico                                                                            | PR                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 55. U.S. Virgin Islands                                                                    | VI                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 56. Northern Mariana Islands                                                               | MP                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 57. Canada                                                                                 | CN                               | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 58. Aggregate Other Aliens                                                                 | OT                               | XXX                     | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 59. Subtotal                                                                               | (a) 1                            | 685,347                 | 20,450,831             | .0                                                                                  | .0                   | 21,136,178                | .0                     |
| 90. Reporting entity contributions for employee benefits plans                             | XXX                              | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 91. Dividends or refunds applied to purchase paid-up additions and annuities               | XXX                              | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 92. Dividends or refunds applied to shorten endowment or premium paying period             | XXX                              | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 93. Premium or annuity considerations waived under disability or other contract provisions | XXX                              | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 94. Aggregate or other amounts not allocable by State                                      | XXX                              | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 95. Totals (Direct Business)                                                               | XXX                              | 685,347                 | 20,450,831             | .0                                                                                  | .0                   | 21,136,178                | .0                     |
| 96. Plus reinsurance assumed                                                               | XXX                              | 1,021,323               | 42,760                 | .0                                                                                  | .0                   | 1,064,083                 | .0                     |
| 97. Totals (All Business)                                                                  | XXX                              | 1,706,670               | 20,493,591             | .0                                                                                  | .0                   | 22,200,261                | .0                     |
| 98. Less reinsurance ceded                                                                 | XXX                              | 1,269,973               | 37,523                 | .0                                                                                  | .0                   | 1,307,496                 | .0                     |
| 99. Totals (All Business) less Reinsurance Ceded                                           | XXX                              | 436,697                 | 20,456,068             | (b) 0                                                                               | 0                    | 20,892,765                | 0                      |
| 5801. DETAILS OF WRITE-INS                                                                 | XXX                              |                         |                        |                                                                                     |                      |                           |                        |
| 5802.                                                                                      | XXX                              |                         |                        |                                                                                     |                      |                           |                        |
| 5803.                                                                                      | XXX                              |                         |                        |                                                                                     |                      |                           |                        |
| 5898. Summary of remaining write-ins for Line 58 from overflow page                        | XXX                              | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)                            | XXX                              | 0                       | 0                      | 0                                                                                   | 0                    | 0                         | 0                      |
| 9401.                                                                                      | XXX                              |                         |                        |                                                                                     |                      |                           |                        |
| 9402.                                                                                      | XXX                              |                         |                        |                                                                                     |                      |                           |                        |
| 9403.                                                                                      | XXX                              |                         |                        |                                                                                     |                      |                           |                        |
| 9498. Summary of remaining write-ins for Line 94 from overflow page                        | XXX                              | .0                      | .0                     | .0                                                                                  | .0                   | .0                        | .0                     |
| 9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)                            | XXX                              | 0                       | 0                      | 0                                                                                   | 0                    | 0                         | 0                      |

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

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, 10

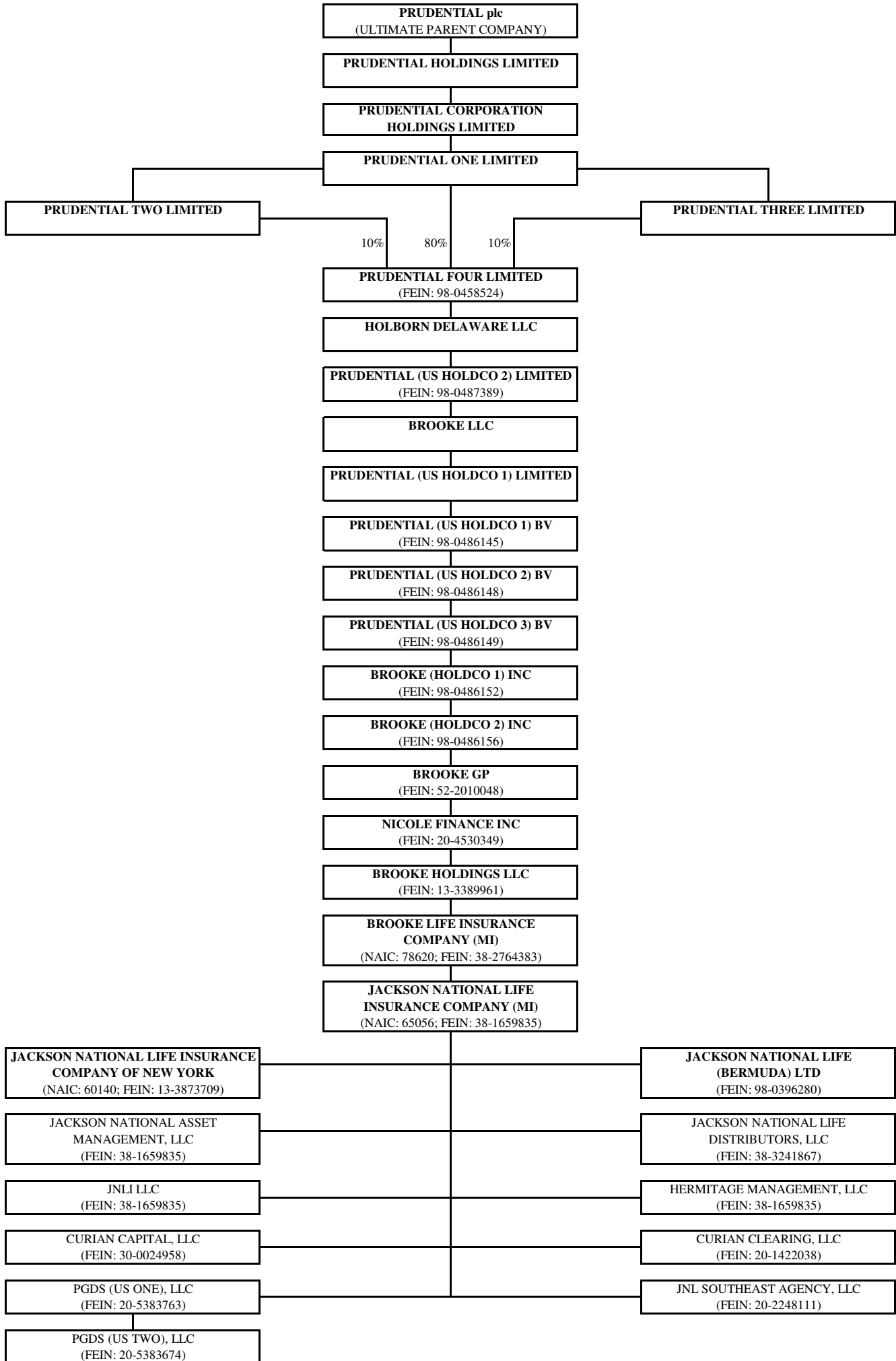
ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

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

Allocated by States and Territories

|                              |    |         | Direct Business Only                   |                                             |                                                        |                                                     | 6<br>Totals |
|------------------------------|----|---------|----------------------------------------|---------------------------------------------|--------------------------------------------------------|-----------------------------------------------------|-------------|
|                              |    |         | 1<br>Life<br>(Group and<br>Individual) | 2<br>Annuities<br>(Group and<br>Individual) | 3<br>Disability<br>Income<br>(Group and<br>Individual) | 4<br>Long-Term<br>Care<br>(Group and<br>Individual) |             |
| States, Etc.                 |    |         |                                        |                                             |                                                        |                                                     |             |
| 1. Alabama                   | AL | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 2. Alaska                    | AK | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 3. Arizona                   | AZ | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 4. Arkansas                  | AR | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 5. California                | CA | 192     | 27,380                                 | 0                                           | 0                                                      | 0                                                   | 27,572      |
| 6. Colorado                  | CO | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 7. Connecticut               | CT | 182     | 0                                      | 0                                           | 0                                                      | 0                                                   | 182         |
| 8. Delaware                  | DE | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 9. District of Columbia      | DC | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 10. Florida                  | FL | 1,059   | 0                                      | 0                                           | 0                                                      | 0                                                   | 1,059       |
| 11. Georgia                  | GA | 298     | 0                                      | 0                                           | 0                                                      | 0                                                   | 298         |
| 12. Hawaii                   | HI | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 13. Idaho                    | ID | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 14. Illinois                 | IL | 195     | 0                                      | 0                                           | 0                                                      | 0                                                   | 195         |
| 15. Indiana                  | IN | 1,282   | 0                                      | 0                                           | 0                                                      | 0                                                   | 1,282       |
| 16. Iowa                     | IA | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 17. Kansas                   | KS | 153     | 0                                      | 0                                           | 0                                                      | 0                                                   | 153         |
| 18. Kentucky                 | KY | 26      | 0                                      | 0                                           | 0                                                      | 0                                                   | 26          |
| 19. Louisiana                | LA | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 20. Maine                    | ME | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 21. Maryland                 | MD | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 22. Massachusetts            | MA | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 23. Michigan                 | MI | 680,802 | 19,839,018                             | 0                                           | 0                                                      | 0                                                   | 20,519,820  |
| 24. Minnesota                | MN | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 25. Mississippi              | MS | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 26. Missouri                 | MO | 350     | 0                                      | 0                                           | 0                                                      | 0                                                   | 350         |
| 27. Montana                  | MT | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 28. Nebraska                 | NE | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 29. Nevada                   | NV | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 30. New Hampshire            | NH | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 31. New Jersey               | NJ | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 32. New Mexico               | NM | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 33. New York                 | NY | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 34. North Carolina           | NC | 206     | 0                                      | 0                                           | 0                                                      | 0                                                   | 206         |
| 35. North Dakota             | ND | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 36. Ohio                     | OH | 88      | 0                                      | 0                                           | 0                                                      | 0                                                   | 88          |
| 37. Oklahoma                 | OK | 219     | 0                                      | 0                                           | 0                                                      | 0                                                   | 219         |
| 38. Oregon                   | OR | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 39. Pennsylvania             | PA | 85      | 0                                      | 0                                           | 0                                                      | 0                                                   | 85          |
| 40. Rhode Island             | RI | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 41. South Carolina           | SC | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 42. South Dakota             | SD | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 43. Tennessee                | TN | 0       | 84,433                                 | 0                                           | 0                                                      | 0                                                   | 84,433      |
| 44. Texas                    | TX | 210     | 0                                      | 0                                           | 0                                                      | 0                                                   | 210         |
| 45. Utah                     | UT | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 46. Vermont                  | VT | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 47. Virginia                 | VA | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 48. Washington               | WA | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 49. West Virginia            | WV | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 50. Wisconsin                | WI | 0       | 500,000                                | 0                                           | 0                                                      | 0                                                   | 500,000     |
| 51. Wyoming                  | WY | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 52. American Samoa           | AS | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 53. Guam                     | GU | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 54. Puerto Rico              | PR | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 55. U.S. Virgin Islands      | VI | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 56. Northern Mariana Islands | MP | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 57. Canada                   | CN | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 58. Aggregate Other Alien    | OT | 0       | 0                                      | 0                                           | 0                                                      | 0                                                   | 0           |
| 59. Total                    |    | 685,347 | 20,450,831                             | 0                                           | 0                                                      | 0                                                   | 21,136,178  |

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



ANNUAL STATEMENT FOR THE YEAR 2007 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) |
| 78620                  | 38-2764383        | BROOKE LIFE INSURANCE COMPANY                            | 45,000,000            | 0                     | 0                                                                                                    | 0                                                                                                                  | 0                                           | 0                                                             |     | 0                                                                                | 45,000,000    | (55,671,747)                                                                         |
|                        | 13-3389961        | BROOKE HOLDINGS, LLC                                     | 201,000,000           | 0                     | 0                                                                                                    | 0                                                                                                                  | 0                                           | 0                                                             |     | 0                                                                                | 201,000,000   | 0                                                                                    |
|                        | 20-1422038        | CURIAN CLEARING, LLC                                     | 0                     | 10,000,000            | 0                                                                                                    | 0                                                                                                                  | 0                                           | 0                                                             |     | 0                                                                                | 10,000,000    | 0                                                                                    |
| 65056                  | 38-1659835        | JACKSON NATIONAL LIFE INSURANCE COMPANY                  | (163,000,000)         | (10,000,000)          | 0                                                                                                    | 0                                                                                                                  | 0                                           | 0                                                             |     | 0                                                                                | (173,000,000) | 291,394,777                                                                          |
|                        | 38-1659835        | JACKSON NATIONAL ASSET MANAGEMENT, LLC                   | (83,000,000)          | 0                     | 0                                                                                                    | 0                                                                                                                  | 0                                           | 0                                                             |     | 0                                                                                | (83,000,000)  | 0                                                                                    |
|                        | 58-0298930        | PRUDENTIAL ATLANTIC REINSURANCE COMPANY, LTD             | 0                     | 0                     | 0                                                                                                    | 0                                                                                                                  | 0                                           | 0                                                             |     | 0                                                                                | 0             | (235,723,030)                                                                        |
| 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.

**MARCH FILING**

- |                                                                                                                        | <u>Responses</u> |
|------------------------------------------------------------------------------------------------------------------------|------------------|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? .....                    | YES              |
| 2. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? .....                            | YES              |
| 3. Will the confidential 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 Supplemental 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  |
| 17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? .....                                           | NO  |

**APRIL FILING**

- |                                                                                                                                         |     |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----|
| 18. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? .....               | NO  |
| 19. Will the Interest-Sensitive Life Insurance Products Report Forms be filed with the state of domicile and the NAIC by April 1? ..... | YES |
| 20. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1? .....                     | NO  |
| 21. Will the Accident and Health Policy Experience Exhibit be filed by April 1? .....                                                   | NO  |

Explanations:

- 10.
- 11.
- 12.
- 15.
- 16.
- 17.
- 18.
- 20.
- 21.

Bar Codes:



SIS Stockholder Information Supplement [Document Identifier 420]



Medicare Supplement Insurance Experience Exhibit [Document Identifier 360]



Trusteed Surplus Statement [Document Identifier 490]



Workers' Compensation Carve-Out Supplement [Document Identifier 495]



Supplemental Schedule O [Document Identifier 465]



Medicare Part D Coverage Supplement [Document Identifier 365]



Long-Term Care Experience Reporting Forms [Document Identifier 330]



Credit Insurance Experience Exhibit [Document Identifier 230]



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 2007 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                                                                   | * For-<br>eign | Bond<br>Char | NAIC<br>Des. | Actual<br>Cost | Rate<br>Used to<br>Obtain<br>Fair<br>Value | Fair<br>Value | Par<br>Value | Book/<br>Adjusted<br>Carrying<br>Value | Unrealized<br>Valuation<br>Increase/<br>(Decrease) | Current<br>Year's<br>(Amor-<br>tization)<br>Accretion | Current<br>Year's<br>Other<br>Than<br>Temporary<br>Impairment<br>Recognized | Total<br>Foreign<br>Exchange<br>Change<br>in<br>Book/<br>Adjusted<br>Carrying<br>Value | Rate<br>of | Effective<br>Rate<br>of | How<br>Paid | Admitted<br>Amount<br>Due and<br>Accrued | Gross Amount<br>Received<br>During Year | Acquired   | Maturity   |    |
| 912828-EX-4          | U S TREASURY NOTE                                                             |                |              | 1            | 328,530        |                                            | 104,1640      | 343,741      | 330,000                                | 329,034                                            | 0                                                     | 278                                                                         | 0                                                                                      | 4,500      | 4,600                   | FA          | 5,085                                    | 14,850                                  | 02/28/2006 | 02/28/2011 |    |
| 0199999              | U.S. Government - Issuer Obligations                                          |                |              |              | 328,530        | XXX                                        | 343,741       | 330,000      | 329,034                                | 0                                                  | 278                                                   | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 5,085                                    | 14,850                                  | XXX        | XXX        |    |
| 362155-DN-0          | GN 143309                                                                     |                |              | 1            | 342            |                                            | 115,1580      | 371          | 322                                    | 338                                                | 0                                                     | 1                                                                           | 0                                                                                      | 11.000     | 8.740                   | MON         | 3                                        | 35                                      | 01/01/1988 | 11/15/2015 |    |
| 0299999              | U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities        |                |              |              | 342            | XXX                                        | 371           | 322          | 338                                    | 0                                                  | 1                                                     | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 3                                        | 35                                      | XXX        | XXX        |    |
| 0399999              | Total - U.S. Government Bonds                                                 |                |              |              | 328,872        | XXX                                        | 344,112       | 330,322      | 329,372                                | 0                                                  | 279                                                   | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 5,088                                    | 14,885                                  | 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        |    |
| 31412Y-TT-9          | FN 938962                                                                     |                |              | 1FE          | 2,461,146      |                                            | 101,4200      | 2,507,466    | 2,472,348                              | 2,461,146                                          | 0                                                     | 125                                                                         | 0                                                                                      | 4,312      | 4,420                   | MON         | 9,283                                    | 50,156                                  | 08/20/2007 | 08/01/2037 |    |
| 2699999              | Special Revenues - Single Class Mortgage-Backed/Asset-Backed Securities       |                |              |              | 2,461,146      | XXX                                        | 2,507,466     | 2,472,348    | 2,461,146                              | 0                                                  | 125                                                   | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 9,283                                    | 50,156                                  | XXX        | XXX        |    |
| 31396W-5E-2          | FNR 2007-78 PD                                                                |                |              | 1FE          | 1,365,411      |                                            | 101,3290      | 1,394,292    | 1,376,000                              | 1,365,560                                          | 0                                                     | 149                                                                         | 0                                                                                      | 6,000      | 6,040                   | MON         | 6,880                                    | 27,520                                  | 08/06/2007 | 12/25/2035 |    |
| 2799999              | Special Revenues - Defined Multi-Class Residential Mortgage-Backed Securities |                |              |              | 1,365,411      | XXX                                        | 1,394,292     | 1,376,000    | 1,365,560                              | 0                                                  | 149                                                   | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 6,880                                    | 27,520                                  | XXX        | XXX        |    |
| 3199999              | Total - Special Revenues Bonds                                                |                |              |              | 3,826,557      | XXX                                        | 3,901,758     | 3,848,348    | 3,826,706                              | 0                                                  | 274                                                   | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 16,163                                   | 77,676                                  | XXX        | XXX        |    |
| 02360F-AC-0          | UNION ELECTRIC                                                                |                |              | 1FE          | 1,994,320      |                                            | 98,4940       | 1,969,880    | 2,000,000                              | 1,995,465                                          | 0                                                     | 436                                                                         | 0                                                                                      | 5,400      | 5,430                   | FA          | 45,000                                   | 108,000                                 | 12/05/2005 | 02/01/2016 |    |
| 040555-CJ-1          | ARIZONA PUBLIC SERVICE                                                        |                |              | 2FE          | 514,560        |                                            | 101,7580      | 508,790      | 500,000                                | 513,753                                            | 0                                                     | (807)                                                                       | 0                                                                                      | 6,250      | 5,830                   | FA          | 13,021                                   | 15,625                                  | 04/11/2007 | 08/01/2016 |    |
| 092113-AE-9          | BLACK HILLS                                                                   |                |              | 2FE          | 507,245        |                                            | 100,1880      | 500,940      | 500,000                                | 504,473                                            | 0                                                     | (681)                                                                       | 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      |                                            | 104,8100      | 1,048,100    | 1,000,000                              | 1,009,340                                          | 0                                                     | (946)                                                                       | 0                                                                                      | 6,850      | 6,680                   | JD          | 5,708                                    | 68,500                                  | 11/13/2003 | 06/01/2015 |    |
| 15189X-AG-3          | CENTERPOINT ENERGY HOUSTON ELECTRIC                                           |                |              | 2FE          | 997,540        |                                            | 100,8380      | 1,008,380    | 1,000,000                              | 998,337                                            | 0                                                     | 224                                                                         | 0                                                                                      | 5,750      | 5,780                   | JJ          | 26,514                                   | 57,500                                  | 09/03/2003 | 01/15/2014 |    |
| 210371-AK-6          | CONSTELLATION ENERGY                                                          |                |              | 2FE          | 940,430        |                                            | 92,2160       | 922,160      | 1,000,000                              | 956,978                                            | 0                                                     | 4,606                                                                       | 0                                                                                      | 4,550      | 5,250                   | JD          | 2,022                                    | 45,500                                  | 02/24/2004 | 06/15/2015 |    |
| 210518-BV-7          | CONSUMERS ENERGY                                                              |                |              | 2FE          | 970,600        |                                            | 99,7230       | 997,230      | 1,000,000                              | 980,793                                            | 0                                                     | 3,024                                                                       | 0                                                                                      | 5,375      | 5,800                   | AO          | 11,347                                   | 53,750                                  | 05/20/2004 | 04/15/2013 |    |
| 240019-BO-1          | DAYTON POWER & LIGHT                                                          |                |              | 1FE          | 772,001        |                                            | 99,4570       | 770,792      | 775,000                                | 773,092                                            | 0                                                     | 278                                                                         | 0                                                                                      | 5,125      | 5,170                   | AO          | 9,930                                    | 39,719                                  | 09/24/2003 | 10/01/2013 |    |
| 250847-DV-9          | DETROIT EDISON                                                                |                |              | 1FE          | 999,510        |                                            | 100,3570      | 1,003,570    | 1,000,000                              | 999,675                                            | 0                                                     | 40                                                                          | 0                                                                                      | 5,400      | 5,400                   | FA          | 22,500                                   | 54,000                                  | 07/08/2004 | 08/01/2014 |    |
| 465685-AA-3          | ITC HOLDINGS                                                                  |                |              | 2FE          | 995,550        |                                            | 98,6610       | 986,610      | 1,000,000                              | 997,250                                            | 0                                                     | 417                                                                         | 0                                                                                      | 5,250      | 5,300                   | JJ          | 24,208                                   | 52,500                                  | 07/01/2003 | 07/15/2013 |    |
| 69362B-AF-9          | PSEG POWER                                                                    |                |              | 2FE          | 2,493,675      |                                            | 107,5910      | 2,689,775    | 2,500,000                              | 2,497,278                                          | 0                                                     | 701                                                                         | 0                                                                                      | 7,750      | 7,780                   | AO          | 40,903                                   | 193,750                                 | 04/09/2001 | 04/15/2011 |    |
| 694308-GD-3          | PACIFIC GAS & ELECTRIC                                                        |                |              | 1FE          | 1,008,290      |                                            | 97,2210       | 972,210      | 1,000,000                              | 1,005,563                                          | 0                                                     | (762)                                                                       | 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      |                                            | 104,6500      | 1,046,500    | 1,000,000                              | 1,029,564                                          | 0                                                     | (5,446)                                                                     | 0                                                                                      | 6,450      | 5,710                   | FA          | 24,367                                   | 64,500                                  | 09/24/2003 | 08/15/2012 |    |
| 743263-AD-7          | PROGRESS ENERGY                                                               |                |              | 2FE          | 940,130        |                                            | 106,4190      | 999,274      | 939,000                                | 998,434                                            | 0                                                     | (118)                                                                       | 0                                                                                      | 7,100      | 7,080                   | MS          | 22,223                                   | 66,669                                  | 02/15/2001 | 03/01/2011 |    |
| 816851-AF-6          | SEMPRA ENERGY                                                                 |                |              | 2FE          | 1,856,536      |                                            | 103,3030      | 1,916,271    | 1,855,000                              | 1,855,891                                          | 0                                                     | (147)                                                                       | 0                                                                                      | 6,000      | 5,980                   | FA          | 46,375                                   | 111,300                                 | 01/29/2003 | 02/01/2013 |    |
| 81013T-AB-7          | SCOTTISH POWER                                                                |                | F            | 1FE          | 1,999,860      |                                            | 96,4710       | 1,929,420    | 2,000,000                              | 1,999,874                                          | 0                                                     | 14                                                                          | 0                                                                                      | 5,375      | 5,370                   | MS          | 31,653                                   | 107,500                                 | 03/15/2005 | 03/15/2015 |    |
| 873144-AA-7          | TXU AUSTRALIA                                                                 |                | F            | 1FE          | 999,910        |                                            | 102,0380      | 1,020,380    | 1,000,000                              | 999,910                                            | 0                                                     | 0                                                                           | 0                                                                                      | 6,150      | 6,150                   | MN          | 7,858                                    | 61,500                                  | 12/03/2003 | 11/15/2013 |    |
| 3299999              | Public Utilities - Issuer Obligations                                         |                |              |              | 20,053,677     | XXX                                        | 20,290,282    | 20,069,000   | 20,056,670                             | 0                                                  | 833                                                   | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 353,782                                  | 1,180,813                               | XXX        | XXX        |    |
| 3899999              | Total - Public Utilities Bonds                                                |                |              |              | 20,053,677     | XXX                                        | 20,290,282    | 20,069,000   | 20,056,670                             | 0                                                  | 833                                                   | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 353,782                                  | 1,180,813                               | XXX        | XXX        |    |
| 00209A-AG-1          | AT&T WIRELESS                                                                 |                |              | 1FE          | 2,334,420      |                                            | 100,0000      | 2,000,000    | 2,000,000                              | 2,182,108                                          | 0                                                     | (36,085)                                                                    | 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        |                                            | 102,4180      | 1,024,180    | 1,000,000                              | 999,202                                            | 0                                                     | 99                                                                          | 0                                                                                      | 5,875      | 5,890                   | JD          | 2,611                                    | 58,750                                  | 06/02/2004 | 06/15/2014 |    |
| 025816-AX-7          | AMERICAN EXPRESS                                                              |                |              | 1FE          | 997,420        |                                            | 102,3880      | 1,023,880    | 1,000,000                              | 997,485                                            | 0                                                     | 65                                                                          | 0                                                                                      | 6,150      | 6,180                   | FA          | 21,013                                   | 0                                       | 08/22/2007 | 08/28/2017 |    |
| 02635P-TS-2          | AMERICAN GENERAL FINANCE                                                      |                |              | 1FE          | 1,489,350      |                                            | 100,1000      | 1,501,500    | 1,500,000                              | 1,489,379                                          | 0                                                     | 29                                                                          | 0                                                                                      | 6,900      | 7,000                   | JD          | 4,025                                    | 0                                       | 12/12/2007 | 12/15/2017 |    |
| 031162-AS-9          | AMGEN                                                                         |                |              | 1FE          | 998,430        |                                            | 101,5110      | 1,015,110    | 1,000,000                              | 998,501                                            | 0                                                     | 71                                                                          | 0                                                                                      | 5,850      | 5,870                   | JD          | 4,875                                    | 29,413                                  | 05/24/2007 | 06/01/2017 |    |
| 032166-AG-3          | AMSOUTH BANK                                                                  |                |              | 1FE          | 979,120        |                                            | 96,2620       | 962,620      | 1,000,000                              | 966,353                                            | 0                                                     | 2,212                                                                       | 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      |                                            | 92,3340       | 1,846,680    | 2,000,000                              | 2,004,375                                          | 0                                                     | (355)                                                                       | 0                                                                                      | 4,900      | 4,870                   | JD          | 272                                      | 147,000                                 | 06/30/2005 | 06/30/2017 |    |
| 073902-BR-8          | BEAR STEARNS                                                                  |                |              | 1FE          | 2,564,616      |                                            | 102,7980      | 2,467,152    | 2,400,000                              | 2,449,733                                          | 0                                                     | (23,432)                                                                    | 0                                                                                      | 7,625      | 6,460                   | JD          | 12,200                                   | 183,000                                 | 04/25/2002 | 12/07/2009 |    |
| 084423-AL-6          | BERKLEY (WR)                                                                  |                |              | 2FE          | 993,750        |                                            | 96,7750       | 967,750      | 1,000,000                              | 994,681                                            | 0                                                     | 305                                                                         | 0                                                                                      | 6,150      | 6,210                   | FA          | 23,233                                   | 61,500                                  | 08/19/2004 | 08/15/2019 |    |
| 097014-AG-9          | BOEING CAPITAL                                                                |                |              | 1FE          | 2,137,880      |                                            | 107,3560      | 2,147,120    | 2,000,000                              | 2,091,374                                          | 0                                                     | (15,036)                                                                    | 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        |                                            | 96,8230       | 484,115      | 500,000                                | 483,059                                            | 0                                                     | 2,160                                                                       | 0                                                                                      | 5,350      | 6,000                   | AO          | 5,647                                    | 26,750                                  | 06/22/2004 | 04/15/2014 |    |
| 125577-AZ-9          | CIT GROUP                                                                     |                |              | 1FE          | 1,484,745      |                                            | 101,3600      | 1,520,409    | 1,500,000                              | 1,484,964                                          | 0                                                     | 219                                                                         | 0                                                                                      | 7,625      | 7,870                   | MN          | 9,849                                    | 0                                       | 11/27/2007 | 11/30/2012 |    |
| 12626P-AG-8          | CRH AMERICA                                                                   |                |              | 2FE          | 993,790        |                                            | 97,7990       | 977,990      | 1,000,000                              | 994,437                                            | 0                                                     | 489                                                                         | 0                                                                                      | 6,000      | 6,080                   | MS          | 15,167                                   | 62,667                                  | 09/07/2006 | 09/30/2016 |    |
| 133131-AL-6          | CAMDEN PROPERTY TRUST                                                         |                |              | 2FE          | 994,240        |                                            | 96,7120       | 967,120      | 1,000,000                              | 996,201                                            | 0                                                     | 527                                                                         | 0                                                                                      | 5,375      | 5,450                   | JD          | 2,389                                    | 53,750                                  | 12/01/2003 | 12/15/2013 |    |
| 133131-AO-5          | CAMDEN PROPERTY TRUST                                                         |                |              | 2FE          | 1,993,000      |                                            | 92,9210       | 1,858,420    | 2,000,000                              | 1,993,397                                          | 0                                                     | 397                                                                         | 0                                                                                      | 5,700      | 5,740                   | MN          | 14,567                                   | 60,483                                  | 05/01/2007 | 05/15/2017 |    |
| 14040E-HF-2          | CAPITAL ONE BANK                                                              |                |              | 1FE          | 1,998,280      |                                            | 99,4240       | 1,988,496    | 2,000,000                              | 1,999,863                                          | 0                                                     | 358                                                                         | 0                                                                                      | 4,875      | 4,890                   | MN          | 12,458                                   | 97,500                                  | 08/21/2003 | 05/15/2008 |    |
| 165167-BA-4          | CHESAPEAKE ENERGY                                                             |                |              | 3FE          | 1,615,000      |                                            | 102,0000      | 1,530,000    | 1,500,000                              | 1,554,499                                          | 0                                                     | (16,134)                                                                    | 0                                                                                      | 7,750      | 6,390                   | JJ          | 53,604                                   | 116,250                                 | 11/13/2003 | 01/15/2011 |    |
| 17248R-AF-3          | CINGULAR WIRELESS                                                             |                |              | 1FE          | 2,963,940      |                                            | 105,2770      | 3,158,310    | 3,000,000                              | 2,982,230                                          | 0                                                     | 3,809                                                                       | 0                                                                                      | 6,500      | 6,670                   | JD          | 8,667                                    | 195,000                                 | 05/30/2002 | 12/15/2011 |    |
| 172967-BJ-9          | CITIGROUP                                                                     |                |              | 1FE          | 673,166        |                                            | 104,0860      | 692,172      | 665,000                                | 669,102                                            | 0                                                     | (854)                                                                       | 0                                                                                      | 6,000      | 5,830                   | FA          | 14,408                                   | 39,900                                  | 07/23/2002 | 02/21/2012 |    |

E08

ANNUAL STATEMENT FOR THE YEAR 2007 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         |
| 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 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   |
| 172967-CQ-2          | CITIGROUP                        |           |           | 1FE       | 785,000     | 95.1020                        | 746,551    | 785,000   | 785,000                       | .0                                        | .0                                      | .0                                                  | .0                                                             | 5.000   | 5.000             | MS       | 11,557                          | 39,250                            | 09/16/2004 | 09/15/2014 |
| 172967-DY-4          | CITIGROUP                        |           |           | 1FE       | 1,992,380   | 97.1850                        | 1,943,700  | 2,000,000 | 1,992,911                     | .0                                        | .0                                      | .0                                                  | .0                                                             | 5.500   | 5.550             | FA       | 41,556                          | 55,917                            | 02/05/2007 | 02/15/2017 |
| 17453B-AB-7          | CITIZENS COMMUNICATIONS          |           |           | 3FE       | 2,364,520   | 108.2500                       | 2,165,000  | 2,000,000 | 2,171,712                     | .0                                        | (44,334)                                | .0                                                  | .0                                                             | 9.250   | 6.370             | MN       | 23,639                          | 185,000                           | 01/31/2007 | 05/15/2011 |
| 20449E-BT-2          | COMPASS BANK                     |           |           | 1FE       | 2,007,680   | 94.0860                        | 1,881,720  | 2,000,000 | 2,006,722                     | .0                                        | (377)                                   | .0                                                  | .0                                                             | 5.500   | 5.460             | AO       | 27,500                          | 110,000                           | 03/14/2005 | 04/01/2020 |
| 205887-BA-9          | CONAGRA FOODS                    |           |           | 2FE       | 2,502,724   | 100.0000                       | 2,500,000  | 2,500,000 | 2,501,205                     | .0                                        | (278)                                   | .0                                                  | .0                                                             | 6.750   | 6.730             | MS       | 49,688                          | 168,750                           | 09/06/2001 | 09/15/2011 |
| 22541L-AC-7          | CREDIT SUISSE FIRST BOSTON USA   |           |           | 1FE       | 2,257,620   | 105.0020                       | 2,100,040  | 2,000,000 | 2,132,917                     | .0                                        | (29,256)                                | .0                                                  | .0                                                             | 6.500   | 4.670             | JJ       | 59,944                          | 130,000                           | 05/08/2003 | 01/15/2012 |
| 233835-AA-5          | DAIMLER CHRYSLER NA HOLDING      |           |           | 1FE       | 517,400     | 103.1180                       | 525,902    | 510,000   | 512,020                       | .0                                        | (1,107)                                 | .0                                                  | .0                                                             | 7.200   | 6.940             | MS       | 12,240                          | 36,720                            | 04/04/2002 | 09/01/2009 |
| 233835-AT-4          | DAIMLER CHRYSLER NA HOLDING      |           |           | 1         | 969,934     | 106.6110                       | 1,018,135  | 955,000   | 962,488                       | .0                                        | (1,554)                                 | .0                                                  | .0                                                             | 7.300   | 7.070             | JJ       | 32,146                          | 69,715                            | 04/18/2002 | 01/15/2012 |
| 27876G-AY-4          | ECHOSTAR DBS                     |           |           | 3FE       | 486,250     | 99.5000                        | 497,500    | 500,000   | 488,633                       | .0                                        | 1,276                                   | .0                                                  | .0                                                             | 6.625   | 7.050             | AO       | 8,281                           | 33,125                            | 02/10/2006 | 10/01/2014 |
| 285661-AD-6          | ELECTRONIC DATA SYSTEMS          |           |           | 2FE       | 983,700     | 101.1150                       | 1,011,150  | 1,000,000 | 991,725                       | .0                                        | 1,188                                   | .0                                                  | .0                                                             | 6.500   | 6.680             | FA       | 27,083                          | 65,000                            | 07/15/2003 | 08/01/2013 |
| 30161N-AD-3          | EXELON                           |           |           | 2FE       | 991,030     | 94.1320                        | 941,320    | 1,000,000 | 992,859                       | .0                                        | 773                                     | .0                                                  | .0                                                             | 4.900   | 5.010             | JD       | 2,178                           | 49,000                            | 08/30/2005 | 06/15/2015 |
| 31620R-AB-1          | FIDELITY NATIONAL TITLE GROUP    |           |           | 2FE       | 1,984,940   | 97.6630                        | 1,953,260  | 2,000,000 | 1,991,179                     | .0                                        | 1,435                                   | .0                                                  | .0                                                             | 5.250   | 5.340             | MS       | 30,917                          | 105,000                           | 03/06/2003 | 03/15/2013 |
| 33773B-AG-3          | FISERV                           |           |           | 2FE       | 1,027,750   | 102.2980                       | 1,022,980  | 1,000,000 | 1,027,714                     | .0                                        | (36)                                    | .0                                                  | .0                                                             | 6.800   | 6.410             | MN       | 7,744                           | .0                                | 12/19/2007 | 11/20/2017 |
| 345397-TY-9          | FORD MOTOR CREDIT                |           |           | 4FE       | 1,519,785   | 86.6160                        | 1,299,240  | 1,500,000 | 1,510,677                     | .0                                        | (2,363)                                 | .0                                                  | .0                                                             | 7.250   | 7.030             | AO       | 19,938                          | 108,750                           | 07/22/2003 | 10/25/2011 |
| 369604-BC-6          | GENERAL ELECTRIC                 |           |           | 1FE       | 991,950     | 99.7870                        | 997,870    | 1,000,000 | 991,993                       | .0                                        | 43                                      | .0                                                  | .0                                                             | 5.250   | 5.350             | JD       | 3,646                           | .0                                | 11/29/2007 | 12/06/2017 |
| 38141G-CG-7          | GOLDMAN SACHS                    |           |           | 1FE       | 2,989,800   | 103.0670                       | 3,092,010  | 3,000,000 | 2,994,518                     | .0                                        | 998                                     | .0                                                  | .0                                                             | 5.700   | 5.740             | MS       | 57,000                          | 171,000                           | 08/26/2002 | 09/01/2012 |
| 404119-AH-2          | HCA                              |           |           | 5FE       | 498,445     | 89.0000                        | 445,000    | 500,000   | 498,999                       | .0                                        | 144                                     | .0                                                  | .0                                                             | 6.750   | 6.790             | JJ       | 15,563                          | 33,750                            | 07/23/2003 | 07/15/2013 |
| 441060-AJ-9          | HOSPIRA                          |           |           | 2FE       | 998,420     | 100.4800                       | 1,004,800  | 1,000,000 | 998,528                       | .0                                        | 108                                     | .0                                                  | .0                                                             | 6.050   | 6.070             | MS       | 15,293                          | 31,426                            | 03/20/2007 | 03/30/2017 |
| 48121C-JN-7          | JP MORGAN CHASE                  |           |           | 1FE       | 999,550     | 100.7560                       | 1,007,560  | 1,000,000 | 999,604                       | .0                                        | 35                                      | .0                                                  | .0                                                             | 5.875   | 5.880             | JD       | 2,938                           | 58,750                            | 06/06/2006 | 06/13/2016 |
| 49306C-AE-1          | KEY BANK NA                      |           |           | 1FE       | 2,492,200   | 103.5590                       | 2,588,998  | 2,500,000 | 2,495,840                     | .0                                        | 766                                     | .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   | 103.8840                       | 1,038,840  | 1,000,000 | 1,020,467                     | .0                                        | (3,969)                                 | .0                                                  | .0                                                             | 6.250   | 5.710             | JD       | 5,208                           | 62,500                            | 04/04/2003 | 06/01/2012 |
| 52517P-SC-6          | LEHMAN BROTHERS HOLDINGS         |           |           | 1FE       | 1,989,700   | 103.8600                       | 2,077,200  | 2,000,000 | 1,994,991                     | .0                                        | 1,045                                   | .0                                                  | .0                                                             | 6.625   | 6.690             | JJ       | 59,993                          | 132,500                           | 01/03/2002 | 01/18/2012 |
| 53117C-AG-7          | LIBERTY PROPERTY LP              |           |           | 2FE       | 2,056,580   | 104.3420                       | 2,086,840  | 2,000,000 | 2,031,324                     | .0                                        | (5,727)                                 | .0                                                  | .0                                                             | 6.375   | 5.980             | FA       | 48,167                          | 127,500                           | 01/10/2003 | 08/15/2012 |
| 534187-AV-1          | LINCOLN NATIONAL                 |           |           | 1FE       | 997,890     | 102.6490                       | 1,026,490  | 1,000,000 | 998,018                       | .0                                        | 128                                     | .0                                                  | .0                                                             | 5.650   | 5.690             | FA       | 19,461                          | .0                                | 08/22/2007 | 08/27/2012 |
| 548661-CM-7          | LOWE'S                           |           |           | 1FE       | 998,310     | 102.7040                       | 1,027,040  | 1,000,000 | 998,393                       | .0                                        | 83                                      | .0                                                  | .0                                                             | 5.600   | 5.630             | MS       | 16,489                          | .0                                | 09/06/2007 | 09/15/2012 |
| 55259P-AE-6          | M&I MARSHALL & ILSLEY BANK       |           |           | 1FE       | 998,120     | 94.7650                        | 947,650    | 1,000,000 | 998,516                       | .0                                        | 161                                     | .0                                                  | .0                                                             | 4.850   | 4.870             | JD       | 2,021                           | 48,500                            | 06/13/2005 | 06/16/2015 |
| 55262E-AC-3          | MBNA AMERICA BANK NA             |           |           | 1FE       | 2,156,220   | 108.6450                       | 2,172,904  | 2,000,000 | 2,089,280                     | .0                                        | (15,335)                                | .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   | 102.2500                       | 1,022,500  | 1,000,000 | 1,058,589                     | .0                                        | (16,740)                                | .0                                                  | .0                                                             | 8.375   | 6.250             | FA       | 34,896                          | 83,750                            | 11/13/2003 | 02/01/2011 |
| 562567-AF-4          | MANDALAY RESORTS                 |           |           | 4FE       | 658,500     | 103.5000                       | 621,000    | 600,000   | 622,203                       | .0                                        | (9,333)                                 | .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     | 97.3890                        | 973,890    | 1,000,000 | 973,437                       | .0                                        | 3,248                                   | .0                                                  | .0                                                             | 5.375   | 5.870             | JJ       | 24,785                          | 53,750                            | 08/08/2005 | 07/15/2014 |
| 571900-AZ-2          | MARRIOTT INTERNATIONAL           |           |           | 2FE       | 3,065,143   | 101.2600                       | 3,037,800  | 3,000,000 | 3,054,004                     | .0                                        | (5,359)                                 | .0                                                  | .0                                                             | 5.810   | 5.520             | MN       | 174,300                         | 174,300                           | 11/10/2005 | 11/10/2015 |
| 577778-BS-1          | MAY DEPARTMENT STORES            |           |           | 2FE       | 1,015,440   | 95.7940                        | 957,940    | 1,000,000 | 1,011,118                     | .0                                        | (1,377)                                 | .0                                                  | .0                                                             | 5.750   | 5.540             | JJ       | 26,514                          | 57,500                            | 08/11/2004 | 07/15/2014 |
| 59562V-AK-3          | MIDAMERICAN ENERGY HOLDINGS      |           |           | 2FE       | 995,250     | 97.2560                        | 972,560    | 1,000,000 | 996,819                       | .0                                        | 433                                     | .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   | 107.3780                       | 2,147,560  | 2,000,000 | 2,002,556                     | .0                                        | (495)                                   | .0                                                  | .0                                                             | 7.200   | 7.160             | AO       | 30,400                          | 144,000                           | 03/26/2002 | 04/15/2012 |
| 608190-AH-7          | MOHAWK INDUSTRIES                |           |           | 2FE       | 1,013,240   | 100.0910                       | 1,000,910  | 1,000,000 | 1,011,247                     | .0                                        | (1,064)                                 | .0                                                  | .0                                                             | 6.125   | 5.940             | JJ       | 28,243                          | 61,250                            | 01/19/2006 | 01/15/2016 |
| 617446-HR-3          | MORGAN STANLEY                   |           |           | 1FE       | 2,010,460   | 99.7480                        | 1,994,960  | 2,000,000 | 2,006,155                     | .0                                        | (1,013)                                 | .0                                                  | .0                                                             | 5.300   | 5.230             | MS       | 35,333                          | 106,000                           | 03/24/2003 | 03/01/2013 |
| 620076-AR-0          | MOTOROLA                         |           |           | 2FE       | 337,875     | 107.0100                       | 340,292    | 318,000   | 326,530                       | .0                                        | (2,618)                                 | .0                                                  | .0                                                             | 7.625   | 6.580             | MN       | 3,098                           | 24,248                            | 01/27/2003 | 11/15/2010 |
| 62912X-AA-2          | NGPL PIPECO LLC                  |           |           | 2FE       | 1,000,000   | 101.5320                       | 1,015,322  | 1,000,000 | 1,000,000                     | .0                                        | .0                                      | .0                                                  | .0                                                             | 6.514   | 6.510             | JD       | 1,809                           | .0                                | 12/14/2007 | 12/15/2012 |
| 63743Z-DC-6          | NATIONAL RURAL UTILITIES         |           |           | 1FE       | 1,928,160   | 96.9620                        | 1,939,240  | 2,000,000 | 1,950,884                     | .0                                        | 6,596                                   | .0                                                  | .0                                                             | 4.750   | 5.220             | MS       | 31,667                          | 95,000                            | 04/30/2004 | 03/01/2014 |
| 693320-AF-0          | PHH                              |           |           | 2FE       | 993,330     | 102.7600                       | 1,027,600  | 1,000,000 | 995,958                       | .0                                        | 625                                     | .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   | 105.2150                       | 2,104,300  | 2,000,000 | 2,058,043                     | .0                                        | (29,211)                                | .0                                                  | .0                                                             | 7.500   | 5.800             | MN       | 25,000                          | 150,000                           | 10/24/2002 | 11/01/2009 |
| 69352J-AF-4          | PPL ENERGY SUPPLY                |           |           | 2FE       | 1,000,600   | 97.1070                        | 971,070    | 1,000,000 | 1,000,444                     | .0                                        | (54)                                    | .0                                                  | .0                                                             | 5.400   | 5.390             | FA       | 20,400                          | 54,000                            | 08/26/2004 | 08/15/2014 |
| 695156-AM-1          | PACKAGING CORPORATION OF AMERICA |           |           | 3FE       | 1,021,610   | 102.1980                       | 1,021,980  | 1,000,000 | 1,013,934                     | .0                                        | (2,083)                                 | .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     | 93.0000                        | 279,000    | 300,000   | 308,682                       | .0                                        | (2,205)                                 | .0                                                  | .0                                                             | 8.125   | 7.140             | MN       | 3,115                           | 24,375                            | 08/07/2003 | 05/15/2011 |
| 73318E-AK-9          | POPULAR NORTH AMERICA            |           |           | 1FE       | 1,499,745   | 99.0420                        | 1,485,636  | 1,500,000 | 1,499,957                     | .0                                        | 56                                      | .0                                                  | .0                                                             | 3.875   | 3.870             | AO       | 14,531                          | 58,125                            | 10/01/2003 | 10/01/2008 |
| 745867-AS-0          | PULTE HOMES                      |           |           | 3FE       | 974,570     | 82.7160                        | 827,160    | 1,000,000 | 980,152                       | .0                                        | 2,219                                   | .0                                                  | .0                                                             | 5.200   | 5.540             | FA       | 19,644                          | 52,000                            | 05/25/2005 | 02/15/2015 |
| 750236-AH-4          | RADIAN GROUP                     |           |           | 1FE       | 1,066,880   | 79.4340                        | 794,340    | 1,000,000 | 1,039,716                     | .0                                        | (6,703)                                 | .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   | 89.6370                        | 1,792,740  | 2,000,000 | 1,998,151                     | .0                                        | 211                                     | .0                                                  | .0                                                             | 5.375   | 5.390             | JJ       | 49,569                          | 107,500                           | 01/06/2005 | 01/15/2015 |
| 786514-BF-5          | SAFEWAY                          |           |           | 2FE       | 1,049,160   | 103.4670                       | 1,034,670  | 1,000,000 | 1,029,204                     | .0                                        | (5,777)                                 | .0                                                  | .0                                                             | 5.800   | 5.080             | FA       | 21,911                          | 58,000                            | 01/27/2004 | 08/15/2012 |
| 806605-AE-           |                                  |           |           |           |             |                                |            |           |                               |                                           |                                         |                                                     |                                                                |         |                   |          |                                 |                                   |            |            |

ANNUAL STATEMENT FOR THE YEAR 2007 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                    | *     | For-<br>eign | Bond<br>Char | NAIC<br>Des. | Actual<br>Cost | Rate<br>Used to<br>Obtain<br>Fair<br>Value | Fair<br>Value | Par<br>Value | Book/<br>Adjusted<br>Carrying<br>Value | Unrealized<br>Valuation<br>Increase/<br>(Decrease) | Current<br>Year's<br>(Amor-<br>tization)<br>Accretion | Current<br>Year's<br>Other<br>Than<br>Temporary<br>Impairment<br>Recognized | Total<br>Foreign<br>Exchange<br>Change<br>in<br>Book/<br>Adjusted<br>Carrying<br>Value | Rate<br>of | Effective<br>Rate<br>of | How<br>Paid | Admitted<br>Amount<br>Due and<br>Accrued | Gross Amount<br>Received<br>During Year | Acquired   | Maturity   |     |
| 983024-AA-8                                                                                               | WYETH                          |       |              |              | 1FE          | 1,989,200      |                                            | 1,028,852     | 2,057,040    | 2,000,000                              | 1,995,292                                          | 0                                                     | 0                                                                           | 0                                                                                      | 5.500      | 5.550                   | MS          | 32,389                                   | 110,000                                 | 02/11/2003 | 03/15/2013 |     |
| 98385X-AG-1                                                                                               | XTO ENERGY                     |       |              |              | 2FE          | 996,830        |                                            | 99,5490       | 995,490      | 1,000,000                              | 997,448                                            | 0                                                     | 0                                                                           | 0                                                                                      | 5.300      | 5.340                   | JD          | 147                                      | 79,500                                  | 04/06/2005 | 06/30/2015 |     |
| 292506-AA-0                                                                                               | ENCANA HOLDINGS FINANCE        |       |              |              | 1FE          | 1,019,230      |                                            | 102,4650      | 1,024,650    | 1,000,000                              | 1,013,673                                          | 0                                                     | 0                                                                           | 0                                                                                      | 5.800      | 5.540                   | MN          | 9,667                                    | 58,000                                  | 07/28/2004 | 05/01/2014 |     |
| 453258-AU-9                                                                                               | INCO LTD                       |       |              |              | 2FE          | 1,021,210      |                                            | 99,8990       | 998,990      | 1,000,000                              | 1,017,028                                          | 0                                                     | 0                                                                           | 0                                                                                      | 5.700      | 5.420                   | AO          | 12,033                                   | 57,000                                  | 05/25/2005 | 10/15/2015 |     |
| 87971M-AC-7                                                                                               | TELUS                          |       |              |              | 2FE          | 1,606,260      |                                            | 108,3470      | 1,625,205    | 1,500,000                              | 1,553,238                                          | 0                                                     | 0                                                                           | 0                                                                                      | 8.000      | 6.780                   | JD          | 10,000                                   | 120,000                                 | 08/21/2003 | 06/01/2011 |     |
| 046353-AC-2                                                                                               | ASTRAZENECA PLC                |       | F            |              | 1FE          | 1,996,180      |                                            | 103,3840      | 2,067,696    | 2,000,000                              | 1,996,391                                          | 0                                                     | 0                                                                           | 0                                                                                      | 5.400      | 5.440                   | MS          | 32,700                                   | 0                                       | 09/05/2007 | 09/15/2012 |     |
| 07181X-AB-9                                                                                               | BAXTER FINCO BV                |       | F            |              | 1FE          | 1,970,020      |                                            | 100,5160      | 2,010,320    | 2,000,000                              | 1,982,294                                          | 0                                                     | 0                                                                           | 0                                                                                      | 4.750      | 5.090                   | AO          | 20,056                                   | 95,000                                  | 10/20/2005 | 10/15/2010 |     |
| 111021-AD-3                                                                                               | BRITISH TELECOMMUNICATIONS PLC |       | F            |              | 2FE          | 865,754        |                                            | 109,7350      | 872,393      | 795,000                                | 826,309                                            | 0                                                     | 0                                                                           | 0                                                                                      | 8.625      | 7.120                   | JD          | 3,048                                    | 68,569                                  | 12/17/2001 | 12/15/2010 |     |
| 11102A-AB-7                                                                                               | BRITISH TELECOM PLC            |       | F            |              | 2FE          | 997,900        |                                            | 99,7840       | 997,840      | 1,000,000                              | 997,925                                            | 0                                                     | 0                                                                           | 0                                                                                      | 5.150      | 5.190                   | JJ          | 2,718                                    | 0                                       | 12/05/2007 | 01/15/2013 |     |
| 11778B-AA-0                                                                                               | BSKYB FINANCE UK               |       | F            |              | 2FE          | 1,981,080      |                                            | 98,3910       | 1,967,820    | 2,000,000                              | 1,984,361                                          | 0                                                     | 0                                                                           | 0                                                                                      | 5.625      | 5.750                   | AO          | 23,750                                   | 112,500                                 | 10/13/2005 | 10/15/2015 |     |
| 25243Y-AM-1                                                                                               | DIAGEO CAPITAL PLC             |       | F            |              | 1FE          | 998,880        |                                            | 98,0000       | 980,000      | 1,000,000                              | 998,893                                            | 0                                                     | 0                                                                           | 0                                                                                      | 5.750      | 5.760                   | AO          | 10,382                                   | 0                                       | 10/23/2007 | 10/23/2017 |     |
| 55177P-AK-3                                                                                               | FRANCE TELECOM                 |       | F            |              | 1FE          | 1,201,620      |                                            | 107,4820      | 1,074,820    | 1,000,000                              | 1,093,303                                          | 0                                                     | 0                                                                           | 0                                                                                      | 7.750      | 4.550                   | MS          | 25,833                                   | 77,500                                  | 02/04/2004 | 03/01/2011 |     |
| 705015-AA-3                                                                                               | PEARSON PLC                    |       | F            |              | 2FE          | 1,004,540      |                                            | 108,1560      | 1,081,560    | 1,000,000                              | 1,001,936                                          | 0                                                     | 0                                                                           | 0                                                                                      | 7.000      | 6.930                   | JD          | 3,111                                    | 70,000                                  | 06/26/2001 | 06/15/2011 |     |
| 780641-AG-1                                                                                               | KONINKLIJKE KPN NV             |       | F            |              | 2FE          | 1,225,890      |                                            | 107,2470      | 1,072,470    | 1,000,000                              | 1,102,420                                          | 0                                                     | 0                                                                           | 0                                                                                      | 8.000      | 4.040                   | AO          | 20,000                                   | 80,000                                  | 03/09/2004 | 10/01/2010 |     |
| 947076-AB-1                                                                                               | WEATHERFORD INTL               |       | F            |              | 2FE          | 944,530        |                                            | 98,5170       | 985,170      | 1,000,000                              | 947,259                                            | 0                                                     | 0                                                                           | 0                                                                                      | 5.500      | 6.340                   | FA          | 20,778                                   | 27,500                                  | 06/13/2007 | 02/15/2016 |     |
| <b>3999999. Industrial and Miscellaneous - Issuer Obligations</b>                                         |                                |       |              |              |              | 132,379,819    | XXX                                        | 131,085,964   | 129,218,000  | 130,743,868                            | 0                                                  | (385,424)                                             | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 2,071,191                                | 7,170,545                               | XXX        | XXX        |     |
| 12667F-HW-8                                                                                               | CIWALT 2004-9T1 A13            |       |              |              | 1FE          | 4,924,414      |                                            | 93,9000       | 4,695,040    | 5,000,000                              | 4,937,851                                          | 0                                                     | 0                                                                           | 0                                                                                      | 5.500      | 5.640                   | MON         | 22,917                                   | 275,000                                 | 04/22/2004 | 07/25/2034 |     |
| 12669E-ZZ-5                                                                                               | CIWALT 2003-J1 1A9             |       |              |              | 1FE          | 670,340        |                                            | 99,0320       | 697,191      | 704,000                                | 680,150                                            | 0                                                     | 0                                                                           | 0                                                                                      | 5.250      | 5.870                   | MON         | 3,080                                    | 36,960                                  | 09/17/2003 | 10/25/2033 |     |
| 76111X-BZ-5                                                                                               | RFMSI 2003-S17 M1              |       |              |              | 1FE          | 1,840,333      |                                            | 87,7080       | 1,642,353    | 1,872,517                              | 1,846,736                                          | 0                                                     | 0                                                                           | 0                                                                                      | 5.500      | 5.680                   | MON         | 8,582                                    | 102,988                                 | 09/24/2003 | 09/25/2033 |     |
| <b>4199999. Industrial and Miscellaneous - Defined Multi-Class Residential Mortgage-Backed Securities</b> |                                |       |              |              |              | 7,435,087      | XXX                                        | 7,034,584     | 7,576,517    | 7,464,737                              | 0                                                  | 8,005                                                 | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 34,579                                   | 414,948                                 | XXX        | XXX        |     |
| 76111X-CA-9                                                                                               | RFMSI 2003-S17 M2              |       |              |              | 1FE          | 1,014,659      |                                            | 83,1670       | 871,793      | 1,048,235                              | 1,022,108                                          | 0                                                     | 0                                                                           | 0                                                                                      | 5.500      | 5.890                   | MON         | 4,804                                    | 57,653                                  | 09/24/2003 | 09/25/2033 |     |
| 92922F-HH-8                                                                                               | WAMU 2004-S1 B2                |       |              |              | 1FE          | 2,109,493      |                                            | 83,8620       | 1,784,681    | 2,128,114                              | 2,111,726                                          | 0                                                     | 0                                                                           | 0                                                                                      | 5.813      | 5.880                   | MON         | 10,310                                   | 123,733                                 | 04/21/2004 | 03/25/2034 |     |
| <b>4299999. Industrial and Miscellaneous - Other Multi-Class Residential Mortgage-Backed Securities</b>   |                                |       |              |              |              | 3,124,152      | XXX                                        | 2,656,474     | 3,176,349    | 3,133,834                              | 0                                                  | 3,305                                                 | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 15,114                                   | 181,386                                 | XXX        | XXX        |     |
| 07401D-BC-4                                                                                               | BSCNIS 2007-PW18 A4            |       |              |              | 1FE          | 1,005,480      |                                            | 100,5480      | 1,005,480    | 1,000,000                              | 1,005,473                                          | 0                                                     | 0                                                                           | 0                                                                                      | 5.700      | 5.600                   | MON         | 6,333                                    | 0                                       | 12/13/2007 | 06/11/2050 |     |
| 20172B-EF-5                                                                                               | CMAC 1999-C1 F                 |       |              |              | 1FE          | 1,115,469      |                                            | 104,1650      | 1,041,660    | 1,000,000                              | 1,030,118                                          | 0                                                     | 0                                                                           | 0                                                                                      | 7.637      | 4.860                   | MON         | 6,365                                    | 77,388                                  | 08/13/2003 | 06/15/2031 |     |
| 46625M-GG-6                                                                                               | JPMCC 2001-C1B3 A3             |       |              |              | 1FE          | 1,041,641      |                                            | 105,5940      | 1,055,943    | 1,000,000                              | 1,041,435                                          | 0                                                     | 0                                                                           | 0                                                                                      | 6.465      | 5.120                   | MON         | 5,388                                    | 0                                       | 12/19/2007 | 11/15/2035 |     |
| 61746W-LT-5                                                                                               | MSDWC 2001-TOP5 A4             |       |              |              | 1FE          | 1,034,375      |                                            | 105,2260      | 1,052,266    | 1,000,000                              | 1,033,916                                          | 0                                                     | 0                                                                           | 0                                                                                      | 6.390      | 5.260                   | MON         | 5,325                                    | 0                                       | 12/10/2007 | 10/15/2035 |     |
| 63859C-AV-5                                                                                               | NLFC 1998-1 D                  |       |              |              | 1FE          | 256,176        |                                            | 99,7150       | 230,668      | 231,326                                | 231,326                                            | 0                                                     | 0                                                                           | 0                                                                                      | 6.803      | 3.370                   | MON         | 1,311                                    | 15,735                                  | 01/09/2004 | 03/20/2030 |     |
| <b>4399999. Industrial and Miscellaneous - Defined Multi-Class Commercial Mortgage-Backed Securities</b>  |                                |       |              |              |              | 4,453,141      | XXX                                        | 4,386,017     | 4,231,326    | 4,342,268                              | 0                                                  | (28,495)                                              | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 19,022                                   | 93,123                                  | XXX        | XXX        |     |
| <b>4599999. Total - Industrial and Miscellaneous Bonds</b>                                                |                                |       |              |              |              | 147,392,199    | XXX                                        | 145,163,039   | 144,202,192  | 145,684,707                            | 0                                                  | (402,609)                                             | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 2,139,906                                | 7,860,002                               | XXX        | XXX        |     |
| <b>5399999. Total - Parent, Subsidiaries and Affiliates Bonds</b>                                         |                                |       |              |              |              | 0              | XXX                                        | 0             | 0            | 0                                      | 0                                                  | 0                                                     | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 0                                        | 0                                       | XXX        | XXX        |     |
| <b>5499999. Total - Issuer Obligations</b>                                                                |                                |       |              |              |              | 152,762,026    | XXX                                        | 151,719,987   | 149,617,000  | 151,129,572                            | 0                                                  | (384,313)                                             | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 2,430,058                                | 8,366,208                               | XXX        | XXX        |     |
| <b>5599999. Total - Single Class Mortgage-Backed/Asset-Backed Securities</b>                              |                                |       |              |              |              | 2,461,488      | XXX                                        | 2,507,837     | 2,472,670    | 2,461,484                              | 0                                                  | 126                                                   | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 9,286                                    | 50,191                                  | XXX        | XXX        |     |
| <b>5699999. Total - Defined Multi-Class Residential Mortgage-Backed Securities</b>                        |                                |       |              |              |              | 8,800,498      | XXX                                        | 8,428,876     | 8,952,517    | 8,800,297                              | 0                                                  | 8,154                                                 | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 41,459                                   | 442,468                                 | XXX        | XXX        |     |
| <b>5799999. Total - Other Multi-Class Residential Mortgage-Backed Securities</b>                          |                                |       |              |              |              | 3,124,152      | XXX                                        | 2,656,474     | 3,176,349    | 3,133,834                              | 0                                                  | 3,305                                                 | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 15,114                                   | 181,386                                 | XXX        | XXX        |     |
| <b>5899999. Total - Defined Multi-Class Commercial Mortgage-Backed Securities</b>                         |                                |       |              |              |              | 4,453,141      | XXX                                        | 4,386,017     | 4,231,326    | 4,342,268                              | 0                                                  | (28,495)                                              | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 19,022                                   | 93,123                                  | XXX        | XXX        |     |
| <b>5999999. Total - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities</b>              |                                |       |              |              |              | 0              | XXX                                        | 0             | 0            | 0                                      | 0                                                  | 0                                                     | 0                                                                           | 0                                                                                      | XXX        | XXX                     | XXX         | 0                                        | 0                                       | XXX        | XXX        |     |
| <b>6099999 - Total Bonds</b>                                                                              |                                |       |              |              |              | 171,601,305    | XXX                                        | 169,699,191   | 168,449,862  | 169,897,455                            | 0                                                  | (401,223)                                             | 0                                                                           | 0                                                                                      | 0          | XXX                     | XXX         | XXX                                      | 2,514,939                               | 9,133,376  | XXX        | XXX |

E08.2

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SCHEDULE D - PART 2 - SECTION 1**

Showing All PREFERRED STOCKS Owned December 31 of Current Year

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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SCHEDULE D - PART 2 - SECTION 2**

Showing All COMMON STOCKS Owned December 31 of Current Year

| 1<br>CUSIP<br>Identi-<br>fication                                          | 2<br>Description                        | Codes     |                   | 5<br>Number<br>of<br>Shares | 6<br>Book/<br>Adjusted<br>Carrying<br>Value | Fair Value                                                      |                 | 9<br>Actual Cost | Dividends                    |                                         |                                             | Change in Book/Adjusted Carrying Value                   |                                                                             |                                                                       |                                                                                    | 17<br>NAIC<br>Market<br>Indicator<br>(a) | 18<br>Date<br>Acquired |
|----------------------------------------------------------------------------|-----------------------------------------|-----------|-------------------|-----------------------------|---------------------------------------------|-----------------------------------------------------------------|-----------------|------------------|------------------------------|-----------------------------------------|---------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------|------------------------|
|                                                                            |                                         | 3<br>Code | 4<br>For-<br>eign |                             |                                             | 7<br>Rate<br>Per<br>Share<br>Used to<br>Obtain<br>Fair<br>Value | 8<br>Fair Value |                  | 10<br>Declared<br>but Unpaid | 11<br>Amount<br>Received<br>During Year | 12<br>Nonadmitted<br>Declared But<br>Unpaid | 13<br>Unrealized<br>Valuation<br>Increase/<br>(Decrease) | 14<br>Current Year's<br>Other Than<br>Temporary<br>Impairment<br>Recognized | 15<br>Total Change in<br>Book/Adjusted<br>Carrying Value<br>(13 - 14) | 16<br>Total Foreign<br>Exchange<br>Change in<br>Book/Adjusted<br>Carrying<br>Value |                                          |                        |
| 468502-10-9                                                                | JACKSON NATIONAL LIFE INSURANCE COMPANY |           |                   | 12,000,000.000              | 4,024,056,717                               | 335,338                                                         | 4,024,056,717   | 2,417,798,693    | 0                            | 246,000,000                             | 0                                           | 347,160,231                                              | 0                                                                           | 347,160,231                                                           | 0                                                                                  | 08/26/1987                               |                        |
| <b>6999999. Total - Common Stock - Parent, Subsidiaries and Affiliates</b> |                                         |           |                   |                             | 4,024,056,717                               | XXX                                                             | 4,024,056,717   | 2,417,798,693    | 0                            | 246,000,000                             | 0                                           | 347,160,231                                              | 0                                                                           | 347,160,231                                                           | 0                                                                                  | XXX                                      | XXX                    |
| <b>7299999 - Total Common Stocks</b>                                       |                                         |           |                   |                             | 4,024,056,717                               | XXX                                                             | 4,024,056,717   | 2,417,798,693    | 0                            | 246,000,000                             | 0                                           | 347,160,231                                              | 0                                                                           | 347,160,231                                                           | 0                                                                                  | XXX                                      | XXX                    |
| <b>7399999 - Total Preferred and Common Stocks</b>                         |                                         |           |                   |                             | 4,024,056,717                               | XXX                                                             | 4,024,056,717   | 2,417,798,693    | 0                            | 246,000,000                             | 0                                           | 347,160,231                                              | 0                                                                           | 347,160,231                                                           | 0                                                                                  | XXX                                      | XXX                    |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0 , the total \$ value (included in Column 8) of all such issues \$ .....0

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SCHEDULE D - PART 3**

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

| 1<br>CUSIP<br>Identification                         | 2<br>Description                         | 3<br>Foreign | 4<br>Date<br>Acquired | 5<br>Name of Vendor         | 6<br>Number of Shares<br>of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued<br>Interest and<br>Dividends |        |
|------------------------------------------------------|------------------------------------------|--------------|-----------------------|-----------------------------|-----------------------------------|------------------|----------------|----------------------------------------------------|--------|
| 31396W-5E-2                                          | FNR 2007-78 PD 6.000 11/01/2019          |              | 08/06/2007            | CITICORP                    |                                   | 1,365,411        | 1,376,000      | 1,835                                              |        |
| 31412Y-TT-9                                          | FN 938962 4.312 08/01/2037               |              | 08/20/2007            | LEHMAN BROTHERS             |                                   | 2,488,672        | 2,500,000      | 9,303                                              |        |
| <b>3199999. Bonds - Special Revenues</b>             |                                          |              |                       |                             |                                   |                  | 3,854,083      | 3,876,000                                          | 11,138 |
| 040555-CJ-1                                          | ARIZONA PUBLIC SERVICE 6.250 08/01/2016  |              | 04/11/2007            | JP MORGAN                   |                                   | 514,560          | 500,000        | 6,510                                              |        |
| <b>3899999. Bonds - Public Utilities</b>             |                                          |              |                       |                             |                                   |                  | 514,560        | 500,000                                            | 6,510  |
| 025816-AX-7                                          | AMERICAN EXPRESS 6.150 08/28/2017        |              | 08/22/2007            | CITICORP                    |                                   | 997,420          | 1,000,000      | .0                                                 |        |
| 02635P-TS-2                                          | AMERICAN GENERAL FINANCE 6.900 12/15/201 |              | 12/12/2007            | MERRILL LYNCH               |                                   | 1,489,350        | 1,500,000      | .0                                                 |        |
| 031162-AS-9                                          | AMGEN 5.850 06/01/2017                   |              | 05/24/2007            | MORGAN STANLEY, DEAN WITTER |                                   | 998,430          | 1,000,000      | .0                                                 |        |
| 07401D-BC-4                                          | BSCMS 2007-PI18 A4 5.700 10/01/2017      |              | 12/13/2007            | BEAR STEARNS                |                                   | 1,005,480        | 1,000,000      | 4,117                                              |        |
| 125577-AZ-9                                          | CIT GROUP 7.625 11/30/2012               |              | 11/27/2007            | MERRILL LYNCH               |                                   | 1,484,745        | 1,500,000      | .0                                                 |        |
| 133131-AG-5                                          | CAMDEN PROPERTY TRUST 5.700 05/15/2017   |              | 05/01/2007            | JP MORGAN                   |                                   | 1,993,000        | 2,000,000      | .0                                                 |        |
| 172967-DY-4                                          | CITIGROUP 5.500 02/15/2017               |              | 02/05/2007            | CITICORP                    |                                   | 1,992,380        | 2,000,000      | .0                                                 |        |
| 337738-AG-3                                          | FISERV 6.800 11/20/2017                  |              | 12/19/2007            | CREDIT SUISSE FIRST BOSTON  |                                   | 1,027,750        | 1,000,000      | 6,422                                              |        |
| 369604-BC-6                                          | GENERAL ELECTRIC 5.250 12/06/2017        |              | 11/29/2007            | LEHMAN BROTHERS             |                                   | 991,950          | 1,000,000      | .0                                                 |        |
| 441060-AJ-9                                          | HOSPIRA 6.050 03/30/2017                 |              | 03/20/2007            | MORGAN STANLEY, DEAN WITTER |                                   | 998,420          | 1,000,000      | .0                                                 |        |
| 46625M-GO-6                                          | JPMCC 2001-C1B3 A3 6.465 12/01/2011      |              | 12/19/2007            | WACHOVIA                    |                                   | 1,041,641        | 1,000,000      | 4,130                                              |        |
| 534187-AV-1                                          | LINCOLN NATIONAL 5.650 08/27/2012        |              | 08/22/2007            | WACHOVIA                    |                                   | 997,890          | 1,000,000      | .0                                                 |        |
| 548661-CM-7                                          | LOWE'S 5.600 09/15/2012                  |              | 09/06/2007            | JP MORGAN                   |                                   | 998,310          | 1,000,000      | .0                                                 |        |
| 61746W-LT-5                                          | MSDWC 2001-TOP5 A4 6.390 11/01/2015      |              | 12/10/2007            | WACHOVIA                    |                                   | 1,034,375        | 1,000,000      | 2,130                                              |        |
| 62912X-AA-2                                          | NGPL PIPECO LLC 6.514 12/15/2012         |              | 12/14/2007            | LEHMAN BROTHERS             |                                   | 1,000,000        | 1,000,000      | .0                                                 |        |
| 907818-CM-6                                          | UNION PACIFIC RAILROAD 5.650 05/01/2017  |              | 04/13/2007            | CITICORP                    |                                   | 498,360          | 500,000        | .0                                                 |        |
| 913275-AC-7                                          | UNISTRIN 6.000 05/15/2017                |              | 05/08/2007            | GOLDMAN SACHS               |                                   | 993,470          | 1,000,000      | .0                                                 |        |
| 046353-AC-2                                          | ASTRAZENECA PLC 5.400 09/15/2012         | F            | 09/05/2007            | GOLDMAN SACHS               |                                   | 1,996,180        | 2,000,000      | .0                                                 |        |
| 11102A-AB-7                                          | BRITISH TELECOM PLC 5.150 01/15/2013     | F            | 12/05/2007            | BARCLAYS CAPITAL            |                                   | 997,900          | 1,000,000      | .0                                                 |        |
| 25243Y-AM-1                                          | DIAGEO CAPITAL PLC 5.750 10/23/2017      | F            | 10/23/2007            | CITICORP                    |                                   | 998,880          | 1,000,000      | .0                                                 |        |
| 947076-AB-1                                          | WEATHERFORD INTL 5.500 02/15/2016        | F            | 06/13/2007            | UBS SECURITIES              |                                   | 944,530          | 1,000,000      | 18,792                                             |        |
| <b>4599999. Bonds - Industrial and Miscellaneous</b> |                                          |              |                       |                             |                                   |                  | 24,480,461     | 24,500,000                                         | 35,591 |
| <b>6099997. Total - Bonds - Part 3</b>               |                                          |              |                       |                             |                                   |                  | 28,849,104     | 28,876,000                                         | 53,239 |
| <b>6099998. Total - Bonds - Part 5</b>               |                                          |              |                       |                             |                                   |                  | 0              | 0                                                  | 0      |
| <b>6099999. Total - Bonds</b>                        |                                          |              |                       |                             |                                   |                  | 28,849,104     | 28,876,000                                         | 53,239 |
| <b>6599997. Total - Preferred Stocks - Part 3</b>    |                                          |              |                       |                             |                                   |                  | 0              | XXX                                                | 0      |
| <b>6599998. Total - Preferred Stocks - Part 5</b>    |                                          |              |                       |                             |                                   |                  | 0              | XXX                                                | 0      |
| <b>6599999. Total - Preferred Stocks</b>             |                                          |              |                       |                             |                                   |                  | 0              | XXX                                                | 0      |
| <b>7299997. Total - Common Stocks - Part 3</b>       |                                          |              |                       |                             |                                   |                  | 0              | XXX                                                | 0      |
| <b>7299998. Total - Common Stocks - Part 5</b>       |                                          |              |                       |                             |                                   |                  | 0              | XXX                                                | 0      |
| <b>7299999. Total - Common Stocks</b>                |                                          |              |                       |                             |                                   |                  | 0              | XXX                                                | 0      |
| <b>7399999. Total - Preferred and Common Stocks</b>  |                                          |              |                       |                             |                                   |                  | 0              | XXX                                                | 0      |
| <b>7499999 - Totals</b>                              |                                          |              |                       |                             |                                   |                  | 28,849,104     | XXX                                                | 53,239 |

ANNUAL STATEMENT FOR THE YEAR 2007 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 |     |     |
| 362155-DN-0                                          | GN 143309                     |         | 12/01/2007    | MBS PAYDOWN       |                           | 30            | 30         | 32          | 30                                       | 0                                       | 0                                        | 0                                                         | 0                                                        | 0                                                              | 30                                             | 0                                        | 0                                | 0                             | 2                                                   | 07/01/2015    |     |     |
| <b>0399999. Bonds - U.S. Governments</b>             |                               |         |               |                   |                           |               |            |             |                                          |                                         |                                          |                                                           |                                                          |                                                                |                                                |                                          |                                  |                               |                                                     |               |     |     |
| 31412Y-TT-9                                          | FN 938962                     |         | 12/01/2007    | MBS PAYDOWN       |                           | 27,652        | 27,652     | 27,526      | 0                                        | 0                                       | 1                                        | 0                                                         | 1                                                        | 0                                                              | 27,652                                         | 0                                        | 0                                | 0                             | 206                                                 | 08/01/2037    |     |     |
| <b>3199999. Bonds - Special Revenues</b>             |                               |         |               |                   |                           |               |            |             |                                          |                                         |                                          |                                                           |                                                          |                                                                |                                                |                                          |                                  |                               |                                                     |               |     |     |
| 025537-AE-1                                          | AMERICAN ELECTRIC POWER       |         | 07/19/2007    | WACHOVIA          |                           | 956,450       | 1,000,000  | 998,480     | 998,827                                  | 0                                       | 64                                       | 0                                                         | 64                                                       | 0                                                              | 998,890                                        | 0                                        | (42,440)                         | (42,440)                      | 33,979                                              | 06/01/2015    |     |     |
| 266228-CS-2                                          | DUQUESNE LIGHT                |         | 06/25/2007    | CALL at 100.000   |                           | 1,000,000     | 1,000,000  | 998,880     | 999,059                                  | 0                                       | 56                                       | 0                                                         | 56                                                       | 0                                                              | 999,115                                        | 0                                        | 885                              | 885                           | 71,480                                              | 05/15/2014    |     |     |
| 494550-AP-1                                          | KINDER MORGAN ENERGY PARTNERS |         | 08/15/2007    | MATURITY          |                           | 3,000,000     | 3,000,000  | 2,997,960   | 2,999,713                                | 0                                       | 287                                      | 0                                                         | 287                                                      | 0                                                              | 3,000,000                                      | 0                                        | 0                                | 0                             | 160,500                                             | 08/15/2007    |     |     |
| 494553-AB-6                                          | KINDER MORGAN                 |         | 05/18/2007    | MERRILL LYNCH     |                           | 2,033,380     | 2,000,000  | 2,101,240   | 2,066,488                                | 0                                       | (3,966)                                  | 0                                                         | (3,966)                                                  | 0                                                              | 2,062,522                                      | 0                                        | (29,142)                         | (29,142)                      | 94,611                                              | 09/01/2012    |     |     |
| 875127-AT-9                                          | TAMPA ELECTRIC                |         | 08/15/2007    | MATURITY          |                           | 3,000,000     | 3,000,000  | 2,988,570   | 2,998,390                                | 0                                       | 1,610                                    | 0                                                         | 1,610                                                    | 0                                                              | 3,000,000                                      | 0                                        | 0                                | 0                             | 161,250                                             | 08/15/2007    |     |     |
| <b>3899999. Bonds - Public Utilities</b>             |                               |         |               |                   |                           |               |            |             |                                          |                                         |                                          |                                                           |                                                          |                                                                |                                                |                                          |                                  |                               |                                                     |               |     |     |
| 001957-BC-2                                          | AT&T                          |         | 10/19/2007    | LEHMAN BROTHERS   |                           | 923,441       | 853,000    | 873,225     | 853,000                                  | 0                                       | 0                                        | 0                                                         | 0                                                        | 0                                                              | 853,000                                        | 0                                        | 70,441                           | 70,441                        | 58,637                                              | 11/15/2011    |     |     |
| 125581-AA-6                                          | CIT GROUP                     |         | 04/02/2007    | MATURITY          |                           | 3,000,000     | 3,000,000  | 3,003,657   | 3,000,214                                | 0                                       | (214)                                    | 0                                                         | (214)                                                    | 0                                                              | 3,000,000                                      | 0                                        | 0                                | 0                             | 110,625                                             | 04/02/2007    |     |     |
| 172967-CK-5                                          | CITIGROUP                     |         | 02/05/2007    | CITICORP          |                           | 1,968,980     | 2,000,000  | 1,989,340   | 1,991,663                                | 0                                       | 97                                       | 0                                                         | 97                                                       | 0                                                              | 1,991,759                                      | 0                                        | (22,779)                         | (22,779)                      | 26,479                                              | 05/05/2014    |     |     |
| 20029P-AN-9                                          | COMCAST CABLE                 |         | 07/23/2007    | JP MORGAN         |                           | 1,059,970     | 1,000,000  | 1,007,410   | 1,004,769                                | 0                                       | (341)                                    | 0                                                         | (341)                                                    | 0                                                              | 1,004,428                                      | 0                                        | 54,642                           | 54,642                        | 43,740                                              | 06/15/2013    |     |     |
| 201728-CJ-9                                          | CIAC 1997-ML1 B               |         | 10/15/2007    | VARIOUS           |                           | 1,000,000     | 1,000,000  | 1,106,367   | 1,022,777                                | 0                                       | (22,777)                                 | 0                                                         | (22,777)                                                 | 0                                                              | 1,000,000                                      | 0                                        | 0                                | 0                             | 50,393                                              | 10/15/2007    |     |     |
| 22237L-MY-5                                          | COUNTRYWIDE HOME LOAN         |         | 11/27/2007    | CITICORP          |                           | 1,307,688     | 1,715,000  | 1,706,236   | 1,711,398                                | 0                                       | 1,239                                    | 0                                                         | 1,239                                                    | 0                                                              | 1,712,637                                      | 0                                        | (404,950)                        | (404,950)                     | 132,645                                             | 07/15/2009    |     |     |
| 23331A-AL-3                                          | DR HORTON                     |         | 04/16/2007    | CALL at 104.250   |                           | 521,250       | 500,000    | 567,500     | 526,054                                  | 0                                       | (4,804)                                  | 0                                                         | (4,804)                                                  | 0                                                              | 521,250                                        | 0                                        | 0                                | 0                             | 21,250                                              | 04/15/2012    |     |     |
| 268766-BY-7                                          | EOP OPERATING LP              |         | 02/09/2007    | GOLDMAN SACHS     |                           | 1,983,740     | 2,000,000  | 2,033,100   | 2,023,368                                | 0                                       | (346)                                    | 0                                                         | (346)                                                    | 0                                                              | 2,023,022                                      | 0                                        | (39,282)                         | (39,282)                      | 66,583                                              | 01/15/2013    |     |     |
| 30161N-AD-3                                          | EXELON                        |         | 08/02/2007    | CITICORP          |                           | 923,440       | 1,000,000  | 991,030     | 992,086                                  | 0                                       | 460                                      | 0                                                         | 460                                                      | 0                                                              | 992,546                                        | 0                                        | (69,106)                         | (69,106)                      | 31,578                                              | 06/15/2015    |     |     |
| 526057-AK-0                                          | LENVAR                        |         | 11/29/2007    | BANC OF AMERICA   |                           | 776,250       | 1,000,000  | 1,011,310   | 1,009,543                                | 0                                       | (958)                                    | 0                                                         | (958)                                                    | 0                                                              | 1,008,586                                      | 0                                        | (232,336)                        | (232,336)                     | 69,208                                              | 09/01/2014    |     |     |
| 583334-AA-5                                          | MEADWESTVACO                  |         | 07/25/2007    | LEHMAN BROTHERS   |                           | 514,390       | 500,000    | 554,610     | 540,135                                  | 0                                       | (3,936)                                  | 0                                                         | (3,936)                                                  | 0                                                              | 536,199                                        | 0                                        | (21,809)                         | (21,809)                      | 28,447                                              | 04/01/2012    |     |     |
| 63859C-AV-5                                          | NLFC 1998-1 D                 |         | 12/01/2007    | MBS PAYDOWN       |                           | 768,674       | 768,674    | 851,246     | 789,330                                  | 0                                       | (20,657)                                 | 0                                                         | (20,657)                                                 | 0                                                              | 768,674                                        | 0                                        | 0                                | 0                             | 50,829                                              | 12/01/2007    |     |     |
| 654730-AG-6                                          | NISOURCE FINANCE              |         | 08/22/2007    | CITICORP          |                           | 461,010       | 500,000    | 498,180     | 498,325                                  | 0                                       | 78                                       | 0                                                         | 78                                                       | 0                                                              | 498,403                                        | 0                                        | (37,393)                         | (37,393)                      | 24,938                                              | 09/15/2017    |     |     |
| 708160-BR-6                                          | JC PENNEY                     |         | 06/01/2007    | CALL at 102.839   |                           | 514,195       | 500,000    | 520,000     | 514,669                                  | 0                                       | (341)                                    | 0                                                         | (341)                                                    | 0                                                              | 514,328                                        | 0                                        | (133)                            | (133)                         | 27,083                                              | 04/01/2027    |     |     |
| 76111X-BZ-5                                          | RFMSI 2003-S17 M1             |         | 12/01/2007    | MBS PAYDOWN       |                           | 33,631        | 33,630     | 33,052      | 33,620                                   | 0                                       | 11                                       | 0                                                         | 11                                                       | 0                                                              | 33,631                                         | 0                                        | 0                                | 0                             | 1,012                                               | 08/01/2021    |     |     |
| 76111X-CA-9                                          | RFMSI 2003-S17 M2             |         | 12/01/2007    | MBS PAYDOWN       |                           | 18,827        | 18,826     | 18,223      | 18,815                                   | 0                                       | 12                                       | 0                                                         | 12                                                       | 0                                                              | 18,827                                         | 0                                        | 0                                | 0                             | 566                                                 | 08/01/2021    |     |     |
| 78442F-BG-2                                          | SLM                           |         | 04/25/2007    | VARIOUS           |                           | 899,535       | 1,000,000  | 1,017,480   | 1,014,230                                | 0                                       | (570)                                    | 0                                                         | (570)                                                    | 0                                                              | 1,013,659                                      | 0                                        | (114,124)                        | (114,124)                     | 28,333                                              | 10/01/2013    |     |     |
| 78442F-CJ-5                                          | SLM                           |         | 04/13/2007    | BANC OF AMERICA   |                           | 1,927,680     | 2,000,000  | 1,995,520   | 1,996,517                                | 0                                       | 115                                      | 0                                                         | 115                                                      | 0                                                              | 1,996,632                                      | 0                                        | (68,952)                         | (68,952)                      | 45,688                                              | 05/15/2014    |     |     |
| 902905-AK-4                                          | USX                           |         | 07/30/2007    | CANTOR FITZGERALD |                           | 3,461,910     | 3,000,000  | 3,698,520   | 3,431,988                                | 0                                       | (42,951)                                 | 0                                                         | (42,951)                                                 | 0                                                              | 3,389,037                                      | 0                                        | 72,873                           | 72,873                        | 271,094                                             | 02/15/2012    |     |     |
| 92344G-AL-0                                          | VERIZON GLOBAL                |         | 09/18/2007    | BEAR STEARNS      |                           | 2,639,975     | 2,500,000  | 2,495,200   | 2,497,623                                | 0                                       | 390                                      | 0                                                         | 390                                                      | 0                                                              | 2,498,013                                      | 0                                        | 141,962                          | 141,962                       | 146,007                                             | 12/01/2010    |     |     |
| 92922F-NH-8                                          | WAMU 2004-S1 B2               |         | 12/01/2007    | MBS PAYDOWN       |                           | 35,949        | 35,939     | 35,625      | 35,936                                   | 0                                       | 13                                       | 0                                                         | 13                                                       | 0                                                              | 35,949                                         | 0                                        | 0                                | 0                             | 1,144                                               | 03/01/2024    |     |     |
| 003924-AG-2                                          | ABITIBI-CONSOLIDATED          |         | 05/31/2007    | BANC OF AMERICA   |                           | 323,850       | 340,000    | 361,216     | 352,243                                  | 0                                       | (1,302)                                  | 0                                                         | (1,302)                                                  | 0                                                              | 350,940                                        | 0                                        | (27,090)                         | (27,090)                      | 24,548                                              | 08/01/2010    |     |     |
| 87971M-AC-7                                          | TELUS                         |         | 11/14/2007    | BANC OF AMERICA   |                           | 2,166,520     | 2,000,000  | 1,989,560   | 1,994,365                                | 0                                       | 975                                      | 0                                                         | 975                                                      | 0                                                              | 1,995,340                                      | 0                                        | 171,180                          | 171,180                       | 154,667                                             | 06/01/2011    |     |     |
| <b>4599999. Bonds - Industrial and Miscellaneous</b> |                               |         |               |                   |                           |               |            |             |                                          |                                         |                                          |                                                           |                                                          |                                                                |                                                |                                          |                                  |                               |                                                     |               |     |     |
| 6099997. Total - Bonds - Part 4                      |                               |         |               |                   |                           | 37,247,517    | 37,292,751 | 38,470,295  | 37,915,175                               | 0                                       | (97,755)                                 | 0                                                         | (97,755)                                                 | 0                                                              | 37,845,069                                     | 0                                        | (597,553)                        | (597,553)                     | 1,937,522                                           | XXX           |     |     |
| <b>6099998. Total - Bonds - Part 5</b>               |                               |         |               |                   |                           | 0             | 0          | 0           | 0                                        | 0                                       | 0                                        | 0                                                         | 0                                                        | 0                                                              | 0                                              | 0                                        | 0                                | 0                             | 0                                                   | 0             | XXX |     |
| <b>6099999. Total - Bonds</b>                        |                               |         |               |                   |                           | 37,247,517    | 37,292,751 | 38,470,295  | 37,915,175                               | 0                                       | (97,755)                                 | 0                                                         | (97,755)                                                 | 0                                                              | 37,845,069                                     | 0                                        | (597,553)                        | (597,553)                     | 1,937,522                                           | XXX           |     |     |
| <b>6599997. Total - Preferred Stocks - Part 4</b>    |                               |         |               |                   |                           | 0             | XXX        | 0           | 0                                        | 0                                       | 0                                        | 0                                                         | 0                                                        | 0                                                              | 0                                              | 0                                        | 0                                | 0                             | 0                                                   | 0             | XXX |     |
| <b>6599998. Total - Preferred Stocks - Part 5</b>    |                               |         |               |                   |                           | 0             | XXX        | 0           | 0                                        | 0                                       | 0                                        | 0                                                         | 0                                                        | 0                                                              | 0                                              | 0                                        | 0                                | 0                             | 0                                                   | 0             | 0   | XXX |
| <b>6599999. Total - Preferred Stocks</b>             |                               |         |               |                   |                           | 0             | XXX        | 0           | 0                                        | 0                                       | 0                                        | 0                                                         | 0                                                        | 0                                                              | 0                                              | 0                                        | 0                                | 0                             | 0                                                   | 0             | 0   | XXX |
| <b>7299997. Total - Common Stocks - Part 4</b>       |                               |         |               |                   |                           | 0             | XXX        | 0           | 0                                        | 0                                       | 0                                        | 0                                                         | 0                                                        | 0                                                              | 0                                              | 0                                        | 0                                | 0                             | 0                                                   | 0             | 0   | XXX |
| <b>7299998. Total - Common Stocks - Part 5</b>       |                               |         |               |                   |                           | 0             | XXX        | 0           | 0                                        | 0                                       | 0                                        | 0                                                         | 0                                                        | 0                                                              | 0                                              | 0                                        | 0                                | 0                             | 0                                                   | 0             | 0   | XXX |
| <b>7299999. Total - Common Stocks</b>                |                               |         |               |                   |                           | 0             | XXX        | 0           | 0                                        | 0                                       | 0                                        | 0                                                         | 0                                                        | 0                                                              | 0                                              | 0                                        | 0                                | 0                             | 0                                                   | 0             | 0   | XXX |
| <b>7399999. Total - Preferred and Common Stocks</b>  |                               |         |               |                   |                           | 0             | XXX        | 0           | 0                                        | 0                                       | 0                                        | 0                                                         | 0                                                        | 0                                                              | 0                                              | 0                                        | 0                                | 0                             | 0                                                   | 0             | 0   | XXX |
| <b>7499999 - Totals</b>                              |                               |         |               |                   |                           | 37,247,517    | XXX        | 38,470,295  | 37,915,175                               | 0                                       | (97,755)                                 | 0                                                         | (97,755)                                                 | 0                                                              | 37,845,069                                     | 0                                        | (597,553)                        | (597,553)                     | 1,937,522                                           | XXX           |     |     |

ANNUAL STATEMENT FOR THE YEAR 2007 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<br>CUSIP<br>Identifi-<br>cation | 2<br>Description | 3<br>For-<br>eign | 4<br>Date<br>Acquired | 5<br>Name of Vendor | 6<br>Disposal<br>Date | 7<br>Name of<br>Purchaser | 8<br>Par Value<br>(Bonds)<br>or<br>Number of<br>Shares<br>(Stock) | 9<br>Actual Cost | 10<br>Consid-<br>eration | 11<br>Book/<br>Adjusted<br>Carrying<br>Value at<br>Disposal<br>Date | Change in Book/Adjusted Carrying Value                   |                                                              |                                                                                |                                                                                      |                                                                                           | 17<br>Foreign<br>Exchange<br>Gain<br>(Loss) on<br>Disposal | 18<br>Realized<br>Gain<br>(Loss) on<br>Disposal | 19<br>Total Gain<br>(Loss) on<br>Disposal | 20<br>Interest and<br>Dividends<br>Received<br>During<br>Year | 21<br>Paid for<br>Accrued<br>Interest and<br>Dividends |
|-----------------------------------|------------------|-------------------|-----------------------|---------------------|-----------------------|---------------------------|-------------------------------------------------------------------|------------------|--------------------------|---------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------|
|                                   |                  |                   |                       |                     |                       |                           |                                                                   |                  |                          |                                                                     | 12<br>Unrealized<br>Valuation<br>Increase/<br>(Decrease) | 13<br>Current<br>Year's<br>(Amort-<br>ization)/<br>Accretion | 14<br>Current<br>Year's Other<br>Than<br>Temporary<br>Impairment<br>Recognized | 15<br>Total<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value (12 +<br>13 - 14) | 16<br>Total<br>Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value |                                                            |                                                 |                                           |                                                               |                                                        |
| <b>NONE</b>                       |                  |                   |                       |                     |                       |                           |                                                                   |                  |                          |                                                                     |                                                          |                                                              |                                                                                |                                                                                      |                                                                                           |                                                            |                                                 |                                           |                                                               |                                                        |
| 7499999 - Totals                  |                  |                   |                       |                     |                       |                           |                                                                   |                  |                          |                                                                     |                                                          |                                                              |                                                                                |                                                                                      |                                                                                           |                                                            |                                                 |                                           |                                                               |                                                        |



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

| 1<br>CUSIP<br>Identification                     | 2<br>Description,<br>Name of Subsidiary,<br>Controlled<br>or Affiliated Company | 3<br>Foreign | 4<br>NAIC<br>Company<br>Code or<br>Alien Insurer<br>Identification<br>Number | 5<br>NAIC<br>Valuation<br>Method<br>(See SVO<br>Purposes<br>and<br>Procedures<br>Manual) | 6<br>Do Insurer's<br>Assets<br>Include<br>Intangible<br>Assets<br>Connected<br>with Holding<br>of Such<br>Company's<br>Stock? | 7<br>Total<br>Amount of Such<br>Intangible Assets | 8<br>Book/Adjusted<br>Carrying Value | Stock of Such Company Owned by<br>Insurer on Statement Date |                           |
|--------------------------------------------------|---------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------|-------------------------------------------------------------|---------------------------|
|                                                  |                                                                                 |              |                                                                              |                                                                                          |                                                                                                                               |                                                   |                                      | 9<br>Number<br>of Shares                                    | 10<br>% of<br>Outstanding |
| <b>0999999. Total Preferred Stocks</b>           |                                                                                 |              |                                                                              |                                                                                          |                                                                                                                               | 0                                                 | 0                                    | XXX                                                         | XXX                       |
| 468502-10-9                                      | JACKSON NATIONAL LIFE INS CO                                                    |              | 65056                                                                        | 311A                                                                                     | YES                                                                                                                           | 143,175,341                                       | 4,024,056,717                        | 12,000,000,000                                              | 100.0                     |
| <b>1299999. Common Stock - U.S. Life Insurer</b> |                                                                                 |              |                                                                              |                                                                                          |                                                                                                                               | 143,175,341                                       | 4,024,056,717                        | XXX                                                         | XXX                       |
| <b>1899999. Total Common Stocks</b>              |                                                                                 |              |                                                                              |                                                                                          |                                                                                                                               | 143,175,341                                       | 4,024,056,717                        | XXX                                                         | XXX                       |
| <b>1999999 - Totals</b>                          |                                                                                 |              |                                                                              |                                                                                          |                                                                                                                               | 143,175,341                                       | 4,024,056,717                        | 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 \$ 2,202,584,570

2. Total amount of intangible assets nonadmitted \$ 0

**SCHEDULE D - PART 6 - SECTION 2**

| 1<br>CUSIP<br>Identification    | 2<br>Name of Lower-Tier Company                     | 3<br>Name of Company Listed in Section 1 Which<br>Controls Lower-Tier Company | 4<br>Total<br>Amount of Intangible<br>Assets Included in<br>Amount Shown in<br>Column 7, Section 1 | Stock in Lower-Tier Company Owned<br>Indirectly by Insurer on<br>Statement Date |                          |
|---------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------|
|                                 |                                                     |                                                                               |                                                                                                    | 5<br>Number of Shares                                                           | 6<br>% of<br>Outstanding |
| 87212#-12-3                     | T&C HOLDINGS                                        | JACKSON NATIONAL LIFE INSURANCE COMPANY                                       | 0                                                                                                  | 94,560,000                                                                      | 25.0                     |
| <b>0199999. Preferred Stock</b> |                                                     |                                                                               | 0                                                                                                  | XXX                                                                             | XXX                      |
| 28413#-10-8                     | ELAN HOLDINGS                                       | JACKSON NATIONAL LIFE INSURANCE COMPANY                                       | 0                                                                                                  | 250,000,000                                                                     | 25.0                     |
| 46852*-10-2                     | JACKSON NATIONAL LIFE INSURANCE COMPANY OF NEW YORK | JACKSON NATIONAL LIFE INSURANCE COMPANY                                       | 0                                                                                                  | 2,000,000                                                                       | 100.0                    |
| 990000-77-7                     | HOLLISTON MILLS                                     | JACKSON NATIONAL LIFE INSURANCE COMPANY                                       | 0                                                                                                  | 406,385,000                                                                     | 70.0                     |
| 64987#-10-8                     | JACKSON NATIONAL LIFE (BERMUDA) LTD                 | JACKSON NATIONAL LIFE INSURANCE COMPANY                                       | 0                                                                                                  | 250,000,000                                                                     | 100.0                    |
| <b>0299999. Common Stock</b>    |                                                     |                                                                               | 0                                                                                                  | XXX                                                                             | XXX                      |
| <b>0399999 - Total</b>          |                                                     |                                                                               | 0                                                                                                  | XXX                                                                             | XXX                      |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SCHEDULE DA - PART 1**

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

| 1<br>Description                                                                      | Codes     |                   | 4<br>Date<br>Acquired | 5<br>Name of Vendor | 6<br>Maturity<br>Date | 7<br>Book/<br>Adjusted<br>Carrying<br>Value | Change in Book/Adjusted Carrying Value                  |                                                             |                                                                                |                                                                                        | 12<br>Par Value | 13<br>Actual Cost | Interest                                                                                       |                                          |                  |                               |                   | 20<br>Paid for<br>Accrued<br>Interest |                                   |
|---------------------------------------------------------------------------------------|-----------|-------------------|-----------------------|---------------------|-----------------------|---------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------|-------------------|------------------------------------------------------------------------------------------------|------------------------------------------|------------------|-------------------------------|-------------------|---------------------------------------|-----------------------------------|
|                                                                                       | 2<br>Code | 3<br>For-<br>eign |                       |                     |                       |                                             | 8<br>Unrealized<br>Valuation<br>Increase/<br>(Decrease) | 9<br>Current<br>Year's<br>(Amor-<br>tization)/<br>Accretion | 10<br>Current<br>Year's Other<br>Than<br>Temporary<br>Impairment<br>Recognized | 11<br>Total Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value |                 |                   | 14<br>Amount Due<br>and Accrued<br>Dec. 31 of<br>Current<br>Year on<br>Bonds not<br>in Default | 15<br>Non-Admitted<br>Due and<br>Accrued | 16<br>Rate<br>of | 17<br>Effective<br>Rate<br>of | 18<br>How<br>Paid |                                       | 19<br>Gross<br>Amount<br>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                                     |                                   |
| BLACKROCK LIQUIDITY FUNDS TEMPFUND                                                    |           |                   | 11/13/2007            | VARIOUS             | 01/02/2008            | 10,693,259                                  | 0                                                       | 0                                                           | 0                                                                              | 0                                                                                      | 10,693,259      | 10,693,259        | 48,900                                                                                         | 0                                        | 4.780            | 4.780                         | MON               | 34,653                                | 0                                 |
| 3999999. Industrial and Miscellaneous - Issuer Obligations                            |           |                   |                       |                     |                       | 10,693,259                                  | 0                                                       | 0                                                           | 0                                                                              | 0                                                                                      | 10,693,259      | 10,693,259        | 48,900                                                                                         | 0                                        | XXX              | XXX                           | XXX               | 34,653                                | 0                                 |
| 4599999. Total - Industrial and Miscellaneous                                         |           |                   |                       |                     |                       | 10,693,259                                  | 0                                                       | 0                                                           | 0                                                                              | 0                                                                                      | 10,693,259      | 10,693,259        | 48,900                                                                                         | 0                                        | XXX              | XXX                           | XXX               | 34,653                                | 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                                                   |           |                   |                       |                     |                       | 10,693,259                                  | 0                                                       | 0                                                           | 0                                                                              | 0                                                                                      | 10,693,259      | 10,693,259        | 48,900                                                                                         | 0                                        | XXX              | XXX                           | XXX               | 34,653                                | 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                                                                  |           |                   |                       |                     |                       | 10,693,259                                  | 0                                                       | 0                                                           | 0                                                                              | 0                                                                                      | 10,693,259      | 10,693,259        | 48,900                                                                                         | 0                                        | XXX              | XXX                           | XXX               | 34,653                                | 0                                 |
| 7799999. Total - Parent, Subsidiaries and Affiliates                                  |           |                   |                       |                     |                       | 0                                           | 0                                                       | 0                                                           | 0                                                                              | 0                                                                                      | XXX             | 0                 | 0                                                                                              | 0                                        | XXX              | XXX                           | XXX               | 0                                     | 0                                 |
| 8299999 - Totals                                                                      |           |                   |                       |                     |                       | 10,693,259                                  | 0                                                       | 0                                                           | 0                                                                              | 0                                                                                      | XXX             | 10,693,259        | 48,900                                                                                         | 0                                        | XXX              | XXX                           | XXX               | 34,653                                | 0                                 |

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 2007 OF THE BROOKE LIFE INSURANCE COMPANY

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

| States, Etc.                                                        | 1<br>Type of Deposit | 2<br>Purpose of Deposit         | Deposits For the Benefit of All Policyholders |                 | All Other Special Deposits        |                 |
|---------------------------------------------------------------------|----------------------|---------------------------------|-----------------------------------------------|-----------------|-----------------------------------|-----------------|
|                                                                     |                      |                                 | 3<br>Book/Adjusted Carrying Value             | 4<br>Fair Value | 5<br>Book/Adjusted Carrying Value | 6<br>Fair Value |
| 1. Alabama                                                          | AL                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 2. Alaska                                                           | AK                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 3. Arizona                                                          | AZ                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 4. Arkansas                                                         | AR                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 5. California                                                       | CA                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 6. Colorado                                                         | CO                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 7. Connecticut                                                      | CT                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 8. Delaware                                                         | DE                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 9. District of Columbia                                             | DC                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 10. Florida                                                         | FL                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 11. Georgia                                                         | GA                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 12. Hawaii                                                          | HI                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 13. Idaho                                                           | ID                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 14. Illinois                                                        | IL                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 15. Indiana                                                         | IN                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 16. Iowa                                                            | IA                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 17. Kansas                                                          | KS                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 18. Kentucky                                                        | KY                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 19. Louisiana                                                       | LA                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 20. Maine                                                           | ME                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 21. Maryland                                                        | MD                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 22. Massachusetts                                                   | MA                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 23. Michigan                                                        | MI                   | B. Life insurance and annuities | 329,034                                       | 343,741         | 0                                 | 0               |
| 24. Minnesota                                                       | MN                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 25. Mississippi                                                     | MS                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 26. Missouri                                                        | MO                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 27. Montana                                                         | MT                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 28. Nebraska                                                        | NE                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 29. Nevada                                                          | NV                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 30. New Hampshire                                                   | NH                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 31. New Jersey                                                      | NJ                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 32. New Mexico                                                      | NM                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 33. New York                                                        | NY                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 34. North Carolina                                                  | NC                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 35. North Dakota                                                    | ND                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 36. Ohio                                                            | OH                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 37. Oklahoma                                                        | OK                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 38. Oregon                                                          | OR                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 39. Pennsylvania                                                    | PA                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 40. Rhode Island                                                    | RI                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 41. South Carolina                                                  | SC                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 42. South Dakota                                                    | SD                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 43. Tennessee                                                       | TN                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 44. Texas                                                           | TX                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 45. Utah                                                            | UT                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 46. Vermont                                                         | VT                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 47. Virginia                                                        | VA                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 48. Washington                                                      | WA                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 49. West Virginia                                                   | WV                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 50. Wisconsin                                                       | WI                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 51. Wyoming                                                         | WY                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 52. American Samoa                                                  | AS                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 53. Guam                                                            | GU                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 54. Puerto Rico                                                     | PR                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 55. U.S. Virgin Islands                                             | VI                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 56. Northern Mariana Islands                                        | MP                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 57. Canada                                                          | CN                   |                                 | 0                                             | 0               | 0                                 | 0               |
| 58. Aggregate Alien and Other                                       | XXX                  | XXX                             | 0                                             | 0               | 0                                 | 0               |
| 59. Subtotal                                                        | XXX                  | XXX                             | 329,034                                       | 343,741         | 0                                 | 0               |
| DETAILS OF WRITE-INS                                                |                      |                                 |                                               |                 |                                   |                 |
| 5801.                                                               |                      |                                 |                                               |                 |                                   |                 |
| 5802.                                                               |                      |                                 |                                               |                 |                                   |                 |
| 5803.                                                               |                      |                                 |                                               |                 |                                   |                 |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | XXX                  | XXX                             | 0                                             | 0               | 0                                 | 0               |
| 5899. Totals (Lines 5801 thru 5803 plus 5898)(Line 58 above)        | XXX                  | XXX                             | 0                                             | 0               | 0                                 | 0               |

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