

STATE OF INDIANA)
) SS: BEFORE THE INDIANA
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
The State Life Insurance Company)
One American Square)
Indianapolis, IN 46282)

Examination of The State Life Insurance Company

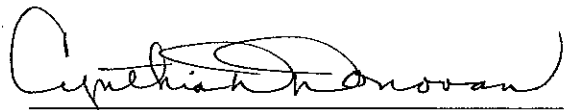
NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of The State Life Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as amended by the Final Order, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of The State Insurance Company shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

3/23/2016
Date


Cynthia D. Donovan
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 91 7190 0005 2720 0056 7656

STATE OF INDIANA)
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COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
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One American Square)
Indianapolis, IN 46282)

Examination of The State Life Insurance Company

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the The State Life Insurance Company (hereinafter "Company") for the time period January 1, 2010 through December 31, 2014.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on November 13, 2015.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on January 25, 2016 and was received by the Company on February 1, 2016.

On February 24, 2016, pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company's response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:

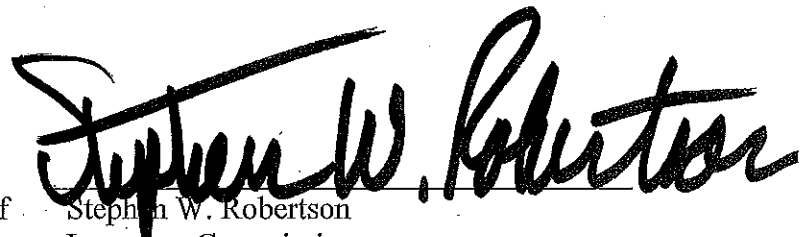
1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2014.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance laws of the state of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, as amended, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination, as amended. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed and Sealed this 23rd day of March, 2016.

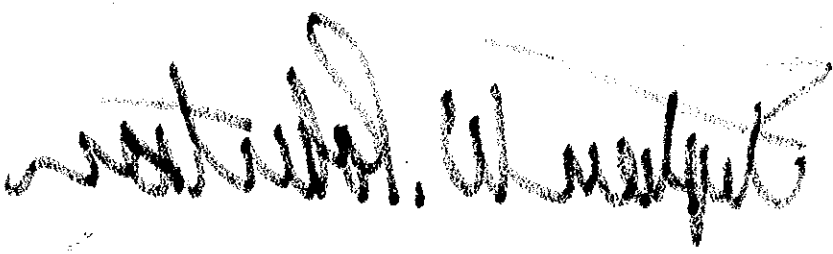

Stephen W. Robertson
Insurance Commissioner

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

A handwritten signature in black ink, appearing to read "Robert M. ...". The signature is written in a cursive style and is located at the bottom of the page.

STATE OF INDIANA
Department of Insurance
REPORT OF EXAMINATION

OF

THE STATE LIFE INSURANCE COMPANY

NAIC Co. CODE 69116
NAIC GROUP CODE 0619

As of

December 31, 2014

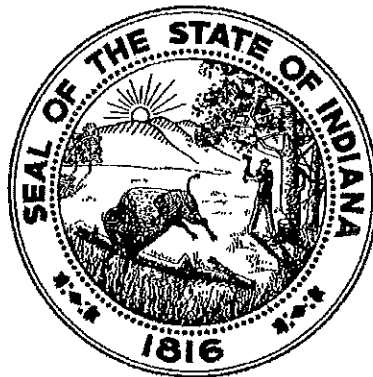


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STATE OF INDIANA

IDOI

MICHAEL R. PENCE, Governor

Indiana Department of Insurance
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: (317) 232-2385
Fax: (317) 232-5251
Stephen W. Robertson, Commissioner

November 13, 2015

Honorable Stephen W. Robertson, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3849, an examination has been made of the affairs and financial condition of:

The State Life Insurance Company
One American Square
Indianapolis, Indiana 46282

hereinafter referred to as the "Company", or "SLIC", an Indiana domestic stock, life insurance company. The examination was conducted at the corporate offices of the Company in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2014, is hereby respectfully submitted.

ACCREDITED BY THE
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES
(317) 232-2413

COMPANY COMPLIANCE
(317) 233-0697

CONSUMER SERVICES
(317) 232-2395
1-800-622-4461

EXAMINATIONS/FINANCIAL SERVICES
(317) 232-2390

MEDICAL MALPRACTICE
(317) 232-2402

SECURITIES/COMPANY RECORDS
(317) 232-1991

STATE HEALTH INSURANCE
1-800-332-4674

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) as of the period ending December 31, 2009. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2010 through December 31, 2014, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles, and Annual Statement instructions, when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

HISTORY

SLIC is an Indiana domiciled stock life insurance company founded in 1894 and is headquartered in Indianapolis, Indiana.

In 2004, SLIC converted from a mutual life insurance company to a stock life insurance company. SLIC is a 100% owned stock subsidiary of OneAmerica Financial Partners, Inc. (OneAmerica), an intermediate stock holding company. American United Mutual Insurance Holding Company (AUMIHC), a mutual insurance holding company, owns 100% of OneAmerica. AUMIHC will at all times, in accordance with the Indiana Mutual Holding Company Law, control a majority of the voting shares of the capital stock of SLIC. Policyholder membership rights exist at AUMIHC while the policyholder contract rights remain with SLIC.

In October 2005, SLIC acquired, through an indemnity reinsurance transaction, the Financial Services Division of Golden Rule Insurance Company. As a result of the acquisition, SLIC's Care Solutions Portfolio includes Annuity Care (annuity with Long Term Care (LTC) benefits), ImmediateCare (immediate annuity for individuals currently receiving long-term care), Asset-Care (whole life insurance with LTC benefits), and Legacy Care (senior-focused deferred annuity).

Additional affiliates of the AUMIHC group include American United Life Insurance Company (AULIC) and Pioneer Mutual Insurance Company (PMLIC). AULIC guarantees the insurance liabilities of SLIC in the event SLIC becomes unable to honor those liabilities.

CAPITAL AND SURPLUS

As of December 31, 2014, the Company had 30,000 shares of common stock authorized with a par value of \$100 per share. All 30,000 shares issued and outstanding are held by OneAmerica. The Company has no preferred stock outstanding. The Company did not pay dividends to stockholders during the examination period.

DIVIDENDS TO POLICYHOLDERS

The Company paid the following dividends, (in 000s), to policyholders during the examination period:

<u>Year</u>	<u>Total</u>
2014	\$ 1,897
2013	2,144
2012	2,166
2011	2,312
2010	2,455
Total	<u>\$10,974</u>

TERRITORY AND PLAN OF OPERATION

SLIC is currently licensed to sell life insurance in forty-nine (49) states and the District of Columbia. The Company primarily markets its products through a nationwide network of brokerage general agencies. The Company is focused on the asset-based long-term care market and offers a comprehensive portfolio of long-term care life and annuity insurance products in addition to the Golden Rule Insurance Company assumed block.

GROWTH OF THE COMPANY

The following exhibit summarizes the financial results, (in 000s), of the Company during the examination period:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Surplus and Other Funds</u>	<u>Premiums</u>	<u>Net Income</u>
2014	\$5,522,202	\$5,168,040	\$ 354,163	\$599,256	\$23,522
2013	5,010,611	4,678,606	332,005	524,036	29,485
2012	4,597,488	4,291,302	306,186	531,859	35,016
2011	4,089,797	3,810,082	279,715	550,519	59,353
2010	3,646,681	3,424,999	221,683	549,754	20,887

During the examination period, all categories noted above increased consistently. The slight fluctuation in Net Income was due to differences in net gain from operations from year-to-year. The Company continues to grow its core products.

MANAGEMENT AND CONTROL

Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no less than six (6) and no more than eighteen (18) directors. At least one (1) of the directors must be a resident of Indiana. The shareholders, at each annual meeting, elect the members of the Board.

The following is a listing of persons serving as directors at December 31, 2014, and their principal occupations as of that date:

Name and Address	Principal Occupation
James Scott Davison Zionsville, Indiana	Chairman, President, and Chief Executive Officer OneAmerica Financial Partners, Inc.
Patrick Michael Foley Fishers, Indiana	President, Individual Life and Financial Services OneAmerica Financial Partners, Inc.
Jeffrey David Holley Zionsville, Indiana	Executive Vice President, Chief Financial Officer, and Treasurer OneAmerica Financial Partners, Inc.
Thomas Michael Zurek Carmel, Indiana	Executive Vice President, General Counsel, and Secretary OneAmerica Financial Partners, Inc.
Mark Cameron Roller Carmel, Indiana	Executive Vice President OneAmerica Financial Partners, Inc.
John Charles Mason Fishers, Indiana	Senior Vice President and Chief Investment Officer OneAmerica Financial Partners, Inc.

Officers

The Bylaws state that the elected officers of the Company shall consist of a Chairman of the Board, a President, a Chief Executive Officer, one (1) or more Senior Vice Presidents, one (1) or more additional Vice Presidents, a General Counsel, a Treasurer, a Secretary, a Controller, a Chief Actuary, and such other officers as the Board may elect. The Chairman of the Board, the President, and the Chief Executive Officer shall be chosen from among the directors of the corporation, and if any one of those officers ceases to be a director he or she shall cease to hold that office as soon as his or her successor is elected and qualified. More than one (1) office may be held by the same person, except the duties of the President and Secretary shall not be performed by the same person. The following is a list of key officers and their respective titles as of December 31, 2014:

Name	Office
James Scott Davison	Chairman, President, and Chief Executive Officer
Jeffrey David Holley	Executive Vice President, Chief Financial Officer, and Treasurer
Thomas Michael Zurek	Executive Vice President, General Counsel, and Secretary
Stephen James McWilliams	Actuary
Christopher Gerard Coudret	Executive Vice President
John Charles Mason	Senior Vice President, and Chief Investment Officer
Douglas Wayne Collins	Vice President

James Charles Crampton	Vice President
Jeffery Scott Drake	Vice President
Andrew John Michie	Vice President/Controller
Bruce Erin Moon	Vice President
Jay Brian Williams	Vice President

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2014.

OATH OF OFFICE

Indiana Code (IC) 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was noted that the Oaths of Office on file were not updated as of December 31, 2014. The Company subsequently updated the filed Oath of Office statements for each director whose statement was missing. See "Other Significant Issues" section of this Report of Examination.

CORPORATE RECORDS

Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

Bylaws

There were no amendments made to the Bylaws during the examination period.

Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. For each year under review, the annual meeting of shareholders was held in accordance with the Bylaws.

The committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, Executive Committee, and Investment Committee.

AFFILIATED COMPANIES

Organizational Structure

The following organizational chart shows the Company's parent and its related entities as of December 31, 2014:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
American United Mutual Insurance Holding Company		
OneAmerica Financial Partners, Inc.		
OneAmerica Asset Management, LLC		
McCready & Keene, Inc.		
OneAmerica Retirement Services, LLC		
NewOhio, LLC		
OldOhio, LLC		
Pioneer Mutual Life Insurance Company	67911	ND
The State Life Insurance Company	69116	IN
American United Life Insurance Company	60895	IN
AUL Reinsurance Management Services, LLC		
OneAmerica Securities, Inc.		

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

Surplus Note

The Company issued a surplus note to OneAmerica on December 16, 2005. The note was approved by the INDOI in the amount of \$30 million.

Tax Sharing Agreement

The Company entered into a Tax Sharing Agreement with AULIC effective September 28, 2009. The method of allocation between the companies is based upon separate tax return calculations with current credit for losses and tax credits. Intercompany tax balances are settled quarterly.

Services and Administrative Fees Agreements

AULIC has an agreement providing Services and Administrative Fees with SLIC restated September 1, 2004, and approved by the INDOI on April 27, 2005. Under this agreement, AULIC provides various administrative services for SLIC for a fee. In 2014, the amount paid to AULIC was \$18,942,557.

Investment Management Services Agreement

Effective January 1, 2013, AULIC ceased to provide investment management services to SLIC and OneAmerica Asset Management, LLC (OAM) succeeded as the investment adviser to SLIC. The Investment Management Services Agreement between OAM and SLIC was approved by the INDOI on January 22, 2013. Under this agreement, OAM acts as an investment manager for SLIC for a fee. SLIC shall pay to OAM an annual rate determined annually in an amount sufficient to cover OAM's expenses attributable to the work performed by OAM for the benefit of SLIC. In 2014, the amount paid to OAM was \$4,866,413.

Loan Agreement

Effective May 2, 2008, AULIC, SLIC, PMLIC, and OneAmerica entered into a Loan Agreement under which they make certain loans to one another, on an ongoing basis, for liquidity and general corporate purposes. No loans have been made or are outstanding pursuant to these agreements as of December 31, 2014.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from fraudulent or dishonest acts by any employee through a fidelity bond issued by the Fidelity & Deposit Company of Maryland. The bond covers the AUMIHC group for fidelity, forgery and alteration, computer fraud, and securities fraud and has an aggregate loss liability limit of \$30,000,000 with a deductible amount of \$250,000. With regard to forgery and alteration and securities, there is a single loss limit of liability of \$15,000,000 with a \$250,000 deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

SLIC has no employees. All personnel are employees of AULIC and provide services to SLIC pursuant to the terms of the Administrative Management Agreement.

Consolidated/Holding Company Plans

OneAmerica sponsors a qualified, noncontributory defined benefit pension plan covering substantially all of its employees. OneAmerica charges AULIC and then AULIC allocates to its affiliates a share of the total cost of the pension plan based on allocation and/or salary ratios. The Company has no legal obligation for benefits under this plan.

AULIC sponsors a defined contribution plan that covers substantially all employees. The plan is a profit sharing arrangement under section 401(k) of the Internal Revenue Code, which also includes a salary/reduction saving feature. AULIC contributes a matching contribution for participants who complete one (1) full calendar year of employment. The matching contribution is 50% of participants' elective deferral amounts on the first 6% of eligible compensation. Matching contributions are capped at 3% of eligible compensation. The Company has no legal obligation for benefits under this plan.

AULIC sponsors a post retirement benefit plan, which provides certain dental, health, life, and vision benefits upon retirement. AULIC allocates to the Company a share of the total accumulated costs of these postretirement benefits. The Company has no legal obligation for the benefits under this plan.

STATUTORY DEPOSITS

The Company reported the following statutory deposits, (in 000s), at December 31, 2014:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For All Policyholders:		
Indiana	\$ 1,499	\$ 1,506
All Other Special Deposits:		
Arkansas	125	125
Georgia	50	53
Massachusetts	100	100
New Mexico	125	126
North Carolina	476	479
Total Deposits	<u>\$ 2,375</u>	<u>\$ 2,389</u>

REINSURANCE

The following describes significant changes to the Company's reinsurance assumed and reinsurance ceded since the examination for the period ended December 31, 2014.

Reinsurance Assumed

During the examination period, no material assumed reinsurance transactions were initiated by the Company.

Reinsurance Ceded

The Company entered into no new ceded reinsurance contracts during the examination period.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2013 and December 31, 2014, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2010 through December 31, 2014, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

THE STATE LIFE INSURANCE COMPANY

Assets
As of December 31, 2014
(in 000s)

	Per Examination ^{A*}
Bonds	\$ 4,881,239
Stocks:	
Preferred stocks	9,002
Common stocks	16,734
Mortgage loans on real estate:	
First liens	410,852
Cash, cash equivalents and short-term investments	83,671
Contract loans	25,593
Derivatives	38
Other invested assets	4,260
Subtotals, cash and invested assets ^A	<u>5,431,390</u>
Investment income due and accrued	52,049
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	1,751
Deferred premiums agents' balances and installments booked but deferred and not yet due	7,912
Reinsurance:	
Amounts recoverable from reinsurers	4,203
Other amounts receivable under reinsurance contracts	6
Net deferred tax asset	24,619
Guaranty funds receivable or on deposit	272
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>5,522,202</u>
Total	<u>\$ 5,522,202</u>

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

^A Calculated balances may not total properly due to immaterial rounding.

THE STATE LIFE INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2014
(in 000s)

	<u>Per Examination*</u>
Aggregate reserves for life contracts	\$ 4,703,954
Aggregate reserve for accident and health contracts	409
Liability for deposit-type contracts	375,972
Contract claims:	
Life	14,941
Provision for policyholders' dividends and coupons payable in following calendar year – estimated amounts:	
Dividends apportioned for payment	2,247
Premiums and annuity considerations for life and accident and health contracts received in advance less discount; including accident and health premiums	129
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance, including assumed and ceded	1,027
Interest maintenance reserve	14,838
Commissions to agents due or accrued-life and annuity contracts, accident and health and deposit-type contract funds	279
Commissions and expense allowances payable on reinsurance assumed	595
Taxes, licenses and fees due or accrued, excluding federal income taxes	1,374
Current federal and foreign income taxes, including realized capital gains (losses)	680
Unearned investment income	647
Amounts withheld or retained by company as agent or trustee	591
Amounts held for agents' account, including agents' credit balances	-
Remittances and items not allocated	12,199
Miscellaneous liabilities:	
Asset valuation reserve	32,910
Reinsurance in unauthorized and certified companies	7
Payable to parent, subsidiaries and affiliates	1,392
Derivatives	10
Payable for securities	67
Aggregate write-ins for liabilities	3,771
Total liabilities excluding Separate Accounts business	5,168,040
Total liabilities ^A	5,168,040
Common capital stock	3,000
Surplus notes	30,000
Gross paid in and contributed surplus	110,550
Unassigned funds (surplus)	210,613
Surplus	351,163
Capital and Surplus	354,163
Totals ^A	\$ 5,522,202

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

^A Calculated balances may not total properly due to immaterial rounding.

THE STATE LIFE INSURANCE COMPANY
Summary of Operations
For the Year Ended December 31, 2014
(in 000s)

	Per Examination*
Premiums and annuity considerations for life and accident and health contracts	\$ 599,256
Considerations for supplementary contracts with life contingencies	4
Net investment income	249,656
Amortization of Interest Maintenance Reserve	5,518
Commissions and expense allowances on reinsurance ceded	2,739
Miscellaneous Income:	
Aggregate write-ins for miscellaneous income	-
Total	857,173
Death benefits	76,254
Matured endowments (excluding guaranteed annual pure endowments)	163
Annuity benefits	60,115
Disability benefits and benefits under accident and health contracts	319
Surrender benefits and withdrawals for life contracts	129,301
Interest and adjustments on contract or deposit-type contract funds	7,666
Payments on supplementary contracts with life contingencies	311
Increase in aggregate reserves for life and accident and health contracts	447,878
Totals^A	722,006
Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	47,381
Commissions and expense allowances on reinsurance assumed	1,344
General insurance expenses	34,699
Insurance taxes, licenses and fees, excluding federal income taxes	7,604
Increase in loading on deferred and uncollected premiums	250
Aggregate write-ins for deductions	30
Totals	813,314
Net gain from operations before dividends to policyholders and federal income taxes	43,860
Dividends to policyholders	1,897
Net gain from operations after dividends to policyholders and before federal income taxes ^A	41,962
Federal and foreign income taxes incurred (excluding tax on capital gains)	18,579
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) ^A	23,383
Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax (excluding taxes transferred to the IMR)	138
Net income	\$ 23,522

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

^A Calculated balances may not total properly due to immaterial rounding.

THE STATE LIFE INSURANCE COMPANY
Capital and Surplus Account Reconciliation
(in 000s)

	2014	2013	2012	2011	2010
Capital and surplus, December 31, prior year	\$332,005	\$306,186	\$279,715	\$221,683	\$210,204
Net income	23,522	29,485	35,016	59,353	20,887
Change in net unrealized capital gains (losses) less capital gains tax	(1,056)	118	25	-	(5)
Change in net deferred income tax	5,572	4,553	5,293	(3,495)	2,441
Change in non-admitted assets	(4,622)	(4,535)	(2,559)	6,427	(2,150)
Change in liability for reinsurance in unauthorized and certified companies	-	11	28	(23)	(16)
Change in asset valuation reserve	(1,259)	(3,814)	(4,161)	(4,230)	(9,678)
Aggregate write-ins for gains and losses in surplus	-	-	(7,171)	-	-
Net change in capital and surplus for the year ^A	22,158	25,819	26,471	58,033	11,478
Capital and surplus, December 31, current year ^A	\$ 354,163	\$332,005	\$306,186	\$279,715	\$221,683

^A Calculated balances may not total properly due to immaterial rounding.

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2014, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. As directors are elected on an annual basis, new Oath of Office statements must be completed annually. During the review of the Oath of Office statements, it was determined the directors had not signed a statement when elected each year. It is recommended that every director shall take and subscribe to an Oath of Office at the time of annual election to the Board.

SUBSEQUENT EVENTS

On September 30, 2015, OneAmerica acquired Bank of Montreal's Milwaukee-based U.S. retirement services business, BMO Retirement Services. The deal added approximately \$26 billion to OneAmerica's assets under administration, bringing the total to more than \$70 billion. The business adopted the name OneAmerica Retirement Services LLC. OneAmerica will continue business operations from BMO Retirement Services' current locations, and most clients will continue to work with their current service teams. BMO Retirement Services employees covered by the agreement will become OneAmerica employees. BMO's U.S. retirement services business has more than 200 professionals with approximately 830 plans. The retirement services businesses of OneAmerica serve more than 11,000 plans and have more than \$30 billion in retirement assets under administration.

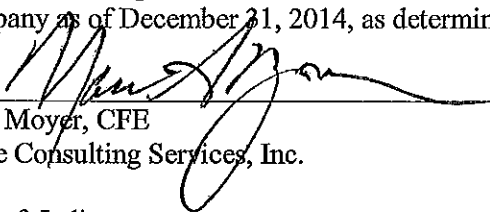
AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Jeffrey A. Beckley, F.C.A.S., M.A.A.A., of Actuarial Options, LLC, hereinafter collectively referred to as the "Examiners", performed an examination of The State Life Insurance Company, as of December 31, 2014.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of condition of The State Life Insurance Company as of December 31, 2014, as determined by the undersigned.



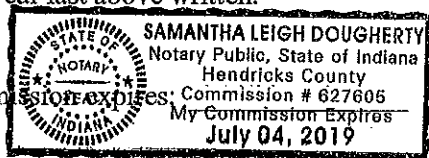
Marc Moyer, CFE
Noble Consulting Services, Inc.

State of: Indiana
County of: Marion

On this 17 day of November, 2015, before me personally appeared, Marc Moyer, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My comm





Notary Public

Handwritten text, possibly a signature or date, located in the upper right quadrant of the page.

