



MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

MISSISSIPPI INSURANCE DEPARTMENT

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MARK HAIRE
Deputy Commissioner of Insurance

RICKY DAVIS
State Chief Deputy Fire Marshal

June 26, 2019

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. James Hilbun Robertson, President
Gulf Guaranty Life Insurance Company
4785 I-55 North, Suite 200
Ridgeland, MS 39206

RE: Report of Examination as of December 31, 2017

Dear Mr. Robertson:

In accordance with Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011), an examination of your Company has been completed. Enclosed herewith is the Order adopting the report and a copy of the final report as adopted.

Pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011), the Mississippi Department of Insurance shall continue to hold the content of said report as private and confidential for a period of ten (10) days from the date of the Order. After the expiration of the aforementioned 10-day period, the Department will open the report for public inspection.

If you have any questions or comments, please feel free to contact me.

Sincerely,

MIKE CHANEY
COMMISSIONER OF INSURANCE

BY Kim Causey
Kim Causey
Special Assistant Attorney General

MC/KC/bs
Encls. Order w/exhibit

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF MISSISSIPPI**

**IN RE: REPORT OF EXAMINATION OF
 GULF GUARANTY LIFE INSURANCE COMPANY**

CAUSE NO. 19-7438

ORDER

THIS CAUSE came on for consideration before the Commissioner of Insurance of the State of Mississippi ("Commissioner"), or his designated appointee, in the Offices of the Commissioner, 1001 Woolfolk Building, 501 North West Street, 10th Floor, Jackson, Hinds County, Mississippi, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011). The Commissioner, having fully considered and reviewed the Report of Examination together with any submissions or rebuttals and any relevant portions of the examiner's work papers, makes the following findings of fact and conclusions of law, to-wit:

JURISDICTION

I.

That the Commissioner has jurisdiction over this matter pursuant to the provisions of Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011).

II.

That Gulf Guaranty Life Insurance Company is a Mississippi-domiciled company licensed to write Accident & Health; Credit Life, Credit Accident and Health; Industrial Life, Industrial Accident and Health; Life; Life (Burial); Automobile Physical Damage/Liability; Casualty/Liability; Fidelity; Fire/Allied Lines; Guaranty; Inland Marine; Plate Glass and Surety coverages.

FINDINGS OF FACT

III.

That the Commissioner, or his appointee, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011), called for an examination of Gulf Guaranty Life Insurance Company and appointed Kimberly Strong, Examiner-In-Charge, to conduct said examination.

IV.

That on or about June 3, 2019, the draft Report of Examination concerning Gulf Guaranty Life Insurance Company for the period of January 1, 2013 through December 31, 2017, was submitted to the Department by the Examiner-In-Charge, Kimberly Strong.

V.

That on or about June 5, 2019, pursuant to Miss. Code Ann. § 83-5-209(2) (Rev. 2011), the Department forwarded to the Company a copy of the draft report and allowed the Company a 15-day period to submit any rebuttal to the draft report. On or about June 20, 2019, the Company responded by email.

CONCLUSIONS OF LAW

VI.

The Commissioner, pursuant to Miss. Code Ann. § 83-5-209(3) (Rev. 2011), must consider and review the report along with any submissions or rebuttals and all relevant portions of examiner work papers and enter an Order: (1) adopting the Report of Examination as final or with modifications or corrections; (2) rejecting the Report of Examination with directions to reopen; or (3) calling for an investigatory hearing.

IT IS, THEREFORE, ORDERED, after reviewing the Report of Examination, the Company's rebuttal, and all relevant examiner work papers, that the Report of Examination of Gulf Guaranty Life Insurance Company, attached hereto as Exhibit "A", should be and same is hereby adopted as final.

IT IS FURTHER ORDERED that a copy of the adopted Report of Examination, accompanied with this Order, shall be served upon the Company by certified mail, postage pre-paid, return receipt requested.

IT IS FURTHER ORDERED that the Mississippi Department of Insurance shall continue to hold the content of this report as private and confidential for a period of ten (10) days from the date of this Order, pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011).

IT IS FURTHER ORDERED, pursuant to Miss. Code Ann. § 83-5-209(4) (Rev. 2011), that within thirty (30) days of the issuance of the adopted report, Gulf Guaranty Life Insurance Company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

IT IS FURTHER ORDERED that Gulf Guaranty Life Insurance Company take the necessary actions and implement the necessary procedures to ensure that all recommendations contained in the Report of Examination are properly and promptly complied with.

SO ORDERED, this the 26th day of June 2019.



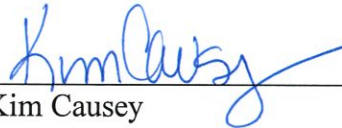
J. Mark Haire

J. MARK HAIRE
DEPUTY COMMISSIONER OF INSURANCE
STATE OF MISSISSIPPI

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing Order and a copy of the final Report of Examination, as adopted by the Mississippi Department of Insurance, was sent by certified mail, postage pre-paid, return receipt requested, on this the 26th day of June 2019, to:

**Mr. James Hilbun Robertson, President
Gulf Guaranty Life Insurance Company
4785 I-55 North, Suite 200
Ridgeland, MS 39206**



Kim Causey
Special Assistant Attorney General

Kim Causey
Special Assistant Attorney General
Counsel for the Mississippi Department of Insurance
Post Office Box 79
Jackson, MS 39205-0079
(601) 359-3577
Miss. Bar No. 10816



MISSISSIPPI INSURANCE DEPARTMENT

Report of Examination

of

GULF GUARANTY LIFE INSURANCE COMPANY

as of

December 31, 2017

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EXAMINER'S AFFIDAVIT AS TO STANDARDS AND PROCEDURES USED IN AN EXAMINATION

State of Mississippi,

County of Madison,

Kimberly Strong, being duly sworn, states as follows:

1. I have authority to represent the Mississippi Insurance Department in the examination of Gulf Guaranty Life Insurance Company as of December 31, 2017.
2. The Mississippi Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Gulf Guaranty Life Insurance Company was performed in a manner consistent with the standards and procedures required by the National Association of Insurance Commissioners and the Mississippi Insurance Department.

The affiant says nothing further.

Kimberly Strong
Kimberly Strong, CPA, CFE
Examiner-in-Charge

Subscribed and sworn before me by Kimberly Strong on this 21st day of

June



(SEAL)

Mollie Corolla
Notary Public

My commission expires Oct 29, 2021 [date].



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State Fire Marshal

MARK HAIRE
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Insurance

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June 3, 2019

Honorable Mike Chaney
Commissioner of Insurance
Mississippi Insurance Department
1001 Woolfolk Building
501 North West Street
Jackson, Mississippi 39201

Dear Commissioner Chaney:

Pursuant to your instructions and authorization and in compliance with statutory provisions, an examination has been conducted, as of December 31, 2017, of the affairs and financial condition of:

GULF GUARANTY LIFE INSURANCE COMPANY

4785 I-55 North, Suite 200
Jackson, Mississippi 39206

License #	NAIC Group #	NAIC #	FEETS #	MATS #
0300016 7700202	948	77976	77976-MS-2017-4	MS-MS099-14

This examination was commenced in accordance with Miss. Code Ann. § 83-5-201 *et seq.* and was performed in Jackson, Mississippi, at the statutory home office of the Company. The report of examination is herewith submitted.

SCOPE OF EXAMINATION

We have performed a multi-state examination of Gulf Guaranty Life Insurance Company ("Company" or "GGLIC"). The last examination covered the period January 1, 2009 through December 31, 2012. This examination covers the period January 1, 2013 through December 31, 2017.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners Handbook*. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

The examination report includes significant findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g. subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

COMMENTS AND RECOMMENDATIONS OF PREVIOUS EXAMINATION

Following are comments made in the previous examination report as of December 31, 2012 that were not adequately addressed subsequent to the previous examination. As such, the recommendations or related recommendations are being repeated in the Comments and Recommendations section of this report. It is recommended that management aggressively pursue addressing these issues to fully comply with the directives of the Mississippi Insurance Department ("MID").

Previous Exam Report Recommendation No. 1:

The Company had a comprehensive corporate insurance program in place, which included commercial general liability and commercial property as well as other policies deemed appropriate by management. At December 31, 2012, the Company and its subsidiary, Gulf Guaranty Insurance Company, were covered by a financial institutions bond with a \$75,000 single loss limit. The amount recommended by the NAIC for the Company and its subsidiary, Gulf Guaranty Insurance Company, is \$200,000.

We again recommend that the Company obtain a financial institution bond in the amount suggested by the NAIC *Financial Condition Examiners Handbook*.

Previous Exam Report Recommendation No. 2:

The Company held a safekeeping agreement with Trustmark National Bank that did not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*.

We again recommend that the Company execute a safekeeping agreement with Trustmark National Bank that complies with the requirements of the NAIC *Financial Condition Examiners Handbook*.

HISTORY OF THE COMPANY

The Company was incorporated as Greener Life Insurance Company on February 20, 1970, under the laws of the State of Mississippi as a stock life insurance company. On July 23, 1970, the Company's name was changed to Gulf Guaranty Life Insurance Company.

Effective July 1, 1970, the Company was licensed to write credit life and credit accident and health lines of business. On June 1, 1978, the Company's license was amended to include the additional lines of life and accident and health. On July 8, 1980, the Articles of Incorporation were amended to expand the Company's purpose to include property and casualty lines of business.

CORPORATE RECORDS

The minutes of the meetings of the stockholders and board of directors, prepared during the period under examination, were reviewed and appeared to be complete with regard to the matters brought up at the meetings for deliberation, which included approval of the Company's investment portfolio and actions of the Company's officers.

MANAGEMENT AND CONTROL

Stockholders

As of December 31, 2017, GGLIC had issued and outstanding 906,856 shares of its 1,000,000 authorized Class 1 common capital stock (of which 542,114 was held as treasury stock) with a par value of \$2 per share and 105 shares of its 50,000 authorized shares of Class 2 common capital stock with a par value of \$1 per share.

Board of Directors

The Articles of Incorporation and Bylaws vest the management and control of the Company's business affairs with the Board of Directors ("Board"). The members of the duly elected Board, along with their place of residence and principal occupation, at December 31, 2017, were as follows:

Name and Residence	Principal Occupation
Jack Westbrook Robertson, Jr. Jackson, Mississippi	Chairman of the Board, Gulf Guaranty Life Insurance Company and Gulf Guaranty Insurance Company
James Hilbun Robertson Madison, Mississippi	President, Gulf Guaranty Life Insurance Company and Gulf Guaranty Insurance Company
John Westbrook Robertson, III Jackson, Mississippi	Executive Vice President, Gulf Guaranty Insurance Company
Arthur Wilman Pigott Columbia, Mississippi	Retired Arbitrator, National Association of Securities Dealers and New York Stock Exchange
McWillie Mitchell Robinson, Jr. Jackson, Mississippi	Retired Physician
Richard Steven Cothorn Flora, Mississippi	President, Gulf Guaranty Employee Benefit Services

Committees

The only committee of the board of directors was the investment committee which is made up of Jack W. Robertson Jr., Chairman and James H. Robertson, President.

Officers

Name	Title
James Hilbun Robertson	President
Angela Michelle Smith	Secretary
Jack Westbrook Robertson, Jr.	Chairman of the Board
William Boyce Lee	Senior Vice President
Roby David Toney	Vice President
Sarah Ellen Methvin	Vice President

The makeup of the Boards complies with the requirements of the Bylaws of the Company. During 2017, Angie Smith replaced Robert Berry as Secretary of the Company and Richard Cothorn was appointed to the Board.

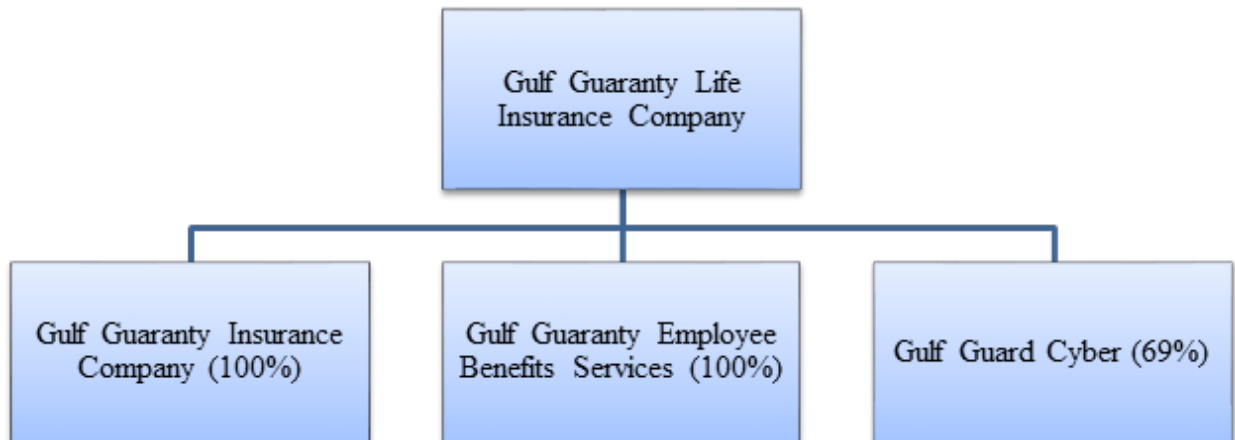
Conflict of Interest

The Company had formal procedures whereby disclosure was made to the Board of any material interest or affiliation on the part of any officer or director that was, or would likely be, a conflict with the official duties of such persons. Written statements were signed annually by all officers and members of the Board.

HOLDING COMPANY STRUCTURE

The Company is a member of an insurance holding company system as defined in Miss. Code Ann. § 83-6-1. The Company is required to file with the MID, Holding Company Registration Statements in accordance with Miss. Code Ann. §§ 83-6-5 and 83-6-9. These filings set forth material changes in structure, identity or relationships of affiliates and any material transactions by and between the Company and its affiliates.

Organizational Chart



As of the year ended December 31, 2017, 64.4% of the Class 1 common capital stock of GGLIC was controlled directly or indirectly by Jack W. Robertson, Chairman and his family. James H. Robertson, President of GGLIC, owned 27.74% of the outstanding Class 1 common capital stock as of the examination date. As of the year ended December 31, 2017, the 105 shares of Class 2 common stock outstanding were held by unrelated stockholders. GGLIC paid \$73,513 in corporate allocations to the Class 2 stockholders during 2017.

Parent and Subsidiaries:

GULF GUARANTY INSURANCE COMPANY (GGIC): GGIC, a wholly owned subsidiary of GGLIC, was organized on January 15, 1981, under the laws of the State of Mississippi, as a property and casualty insurer which primarily writes vendor's single interest (VSI) and collateral protections insurance ("CPI") programs for financial institutions.

GULF GUARANTY EMPLOYEE BENEFITS SERVICES (GGEBS): GGEBS was formed on July 8, 1992 under the laws of Mississippi. GGEBS' principal activities include providing administrative services for health products for self-insured plans.

GULFGUARD CYBER (GGC): GulfGuard was formed on August 24, 2017 under the laws of Mississippi. GulfGuard offers a cybersecurity product that was designed to be a user-friendly threat monitor for businesses, bank officers, and directors.

Related Party Transactions

Tax Sharing Agreement among Affiliates:

The Company entered into an Intercompany Tax Sharing Agreement effective January 9, 2004 with its subsidiaries, GGIC and GGEBS. Pursuant to the terms of the Agreement, the Company will file a consolidated tax return and pay any taxes due on or before the due date. GGLIC will be reimbursed by GGIC and GGEBS for their individual share of the affiliated group's consolidated tax liability. Annually, amounts due to or from a member are to be settled no later than the extended due date for the return.

Expense Allocation Agreement

The Companies were party to an expense allocation agreement effective November 3, 1994 and amended July 14, 2008, December 31, 2011 and January 1, 2013. Pursuant to this agreement, all direct expenses of each company will be paid by the company incurring the expenses and not subject to the expense allocation agreement. Expenses associated with GGLIC's corporate accounting, investment, data processing, sales, and executive functions will be allocated between GGLIC and GGIC in relation to each Company's total direct written premium for all lines of business and miscellaneous income/commissions received from other lines of business. Lines of business are defined within the agreement as credit life, VSI and industrial/ordinary life with 100% of the expenses incurred in the VSI line of business being allocated to GGIC.

FIDELITY BOND AND OTHER INSURANCE

The Company had a comprehensive corporate insurance program in place, which included commercial general liability and commercial property as well as other policies deemed appropriate by management. At December 31, 2017, the Company was covered by a financial institutions bond with a \$100,000 single loss limit. The amount recommended by the NAIC for the Company and its subsidiary, Gulf Guaranty Insurance Company, is \$200,000. It is recommended that the Company

obtain a financial institution bond in the amount suggested by the NAIC *Financial Condition Examiners Handbook*.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS

The Company maintained a 401(k) plan for the benefit of its employees. The 401 (k) plan was approved by the Internal Revenue Service. A comprehensive health care plan was offered by the Company through a self-insured plan administrated by Gulf Guaranty Employee Benefit Services (GGEBS).

TERRITORY AND PLAN OF OPERATION

As of December 31, 2017, the Company was authorized to write the following lines of business in the State of Mississippi:

Accident & health	Automobile physical damage/liability
Credit life,	Casualty/liability
Credit accident and health	Fidelity
Industrial life,	Fire/allied lines
Industrial accident and health	Guaranty
Life	Inland marine
Life (burial)	Plate glass
	Surety

GGLIC's core lines of business are credit life and credit accident & health insurance marketed through small community banking institutions in the states in which it is licensed, small group accident and health coverage through its 100% owned subsidiary, Gulf Guaranty Employee Benefit Services, Inc. (GGEBS), industrial, ordinary and individual annuity products are sold through funeral homes as final expense products and small group life insurance. As of the examination date, the Company was authorized to transact business in the states of Alabama, Arkansas, Louisiana, Mississippi, Tennessee and Texas, with 95.23 percent of premiums being written in Mississippi and Louisiana.

GROWTH OF COMPANY

The review of the growth of the Company was performed based on balances, as reported in the annual statements filed with the MID during the period under examination.

	2017	2016	2015	2014	2013
Change in surplus	532,007	1,477,936	52,025	(172,549)	(797,595)
Ratio of premiums to surplus	.85 to 1	.76 to 1	.91 to 1	.87 to 1	.86 to 1
Ratio of assets to liabilities	2.35 to 1	2.3 to 1	2.15 to 1	2.23 to 1	2.19 to 1
Ratio of revenues to expenses	1.07 to 1	1.08 to 1	1.02 to 1	1.01 to 1	0.91 to 1
Cash flows from operations	607,845	631,373	350,495	(117,255)	(541,337)
Net income (loss)	506,742	1,291,163	932,236	83,556	(680,489)

REINSURANCE

The Company utilized reinsurance agreements to minimize its exposure to significant losses. A review of the reinsurance agreements and records revealed that the terms of the reinsurance agreements were being followed.

TRU Services, LLC Managing General Underwriter Agreement:

Pursuant to this agreement effective January 1, 2012, TRU Services, Inc. was the managing general underwriter for aggregate and specific stop loss insurance policies ("TRU"). TRU's responsibilities, pursuant to the agreement, included receiving applications, adjudicating claims, and underwriting services. GGEBS acted as the sub-managing general underwriter whose responsibilities included providing requests for proposals to TRU, summary information on groups for which stop loss coverage was sold, claims data necessary for processing by TRU, and collection of monthly premiums. This agreement was terminated in 2015.

Assumed:

Specific and Aggregate Medical Benefits Medical Benefits Quota Share WTB-277-12A Gerber Life Insurance Company Written through W. T. Butler as Reinsurance Intermediary:

Under this agreement, GGLIC assumes 15% being \$150,000 for specific excess and aggregate stop loss policies ceded by Gerber Life Insurance Company. This agreement was terminated in 2015.

Ceded:

Excess Risk Agreement with Munich American Reassurance Company

Under this agreement, GGLIC ceded credit life business written on policies issued through age 70 in excess of \$30,000 with a maximum cessation amount of \$150,000 on policies written through Trustmark National Bank and \$100,000 for all other policies. For credit accident & health business, the Company ceded 50% on a quota share basis with a maximum benefit up to \$30,000.

This agreement was subject to an experience refund provision which provides for a determination of profit or loss on the business on an annual basis. If a profit is determined on the business, a portion is allocated back to the Company. If a loss is determined on the business, it will be offset against the subsequent year's profit/loss determination.

Medical Benefits Quota Share WTB-278-12A with American Fidelity Assurance Company (37.5%) and Gerber Life Insurance Company (47.5%) Written through W. T. Butler as Reinsurance Intermediary:

This contract was a medical quota share reinsurance agreement for policies underwritten by TRU, Services, Inc. Under this agreement, GGLIC cedes 85% of their liability up to a maximum limit of \$1,000,000 per person or group. This contract was effective January 1, 2012. GGLIC received a ceding commission to be used to pay state premium taxes. GGLIC was eligible to participate in a profit commission if the net loss ratio was below 90%. This agreement was terminated in 2015.

Medical Benefits Quota Share WTB-283-12A with Sirius International Insurance Corporation Written through W. T. Butler & Company:

This contract was a medical quota share reinsurance agreement for policies underwritten by TRU, Services, Inc. on behalf of GGLIC. Under this agreement, GGLIC ceded 100% of their liability over \$1,000,000 up to \$4,000,000 per person or group. This contract was effective January 1, 2012. GGLIC received a ceding commission to be used to pay state premium taxes. GGLIC was eligible to participate in a profit commission if the net loss ratio was below 90%. This agreement was terminated in 2015.

ACCOUNTS AND RECORDS

The Company's 2017 trial balance was tied to the financial statements within the statutory annual statements filed with the MID, with no material exceptions noted. The Company was audited annually by an independent CPA firm and the Company's aggregate reserve liability was calculated by a consulting actuarial firm.

It was noted that the safekeeping agreement with Trustmark National Bank did not comply with the requirements established in the NAIC *Financial Condition Examiners Handbook*. It is recommended that the Company execute a safekeeping agreement with Trustmark National Bank that complies with the requirements of the NAIC *Financial Condition Examiners Handbook*.

The Company is licensed as a multi-line insurance company pursuant to Miss. Code Ann. § 83-19-31(b), which requires the Company to maintain a minimum capital of \$600,000 and surplus of \$900,000. The Company maintained capital and surplus in excess of the required minimum during the examination period. Pursuant to Miss. Code Ann. § 83-5-55, the Company is required to file an NAIC Life, Accident and Health Annual Statement. The Company is also required to file a risk-based capital (RBC) report pursuant to Miss. Code Ann. § 83-5-401 through § 83-5-427. The Company made the required filings during the examination period.

STATUTORY DEPOSITS

The Company's statutory deposits with the State of Mississippi complied with Miss. Code Ann. § 83-19-31(2) and § 83-7-21. The following chart displays the Company's deposits at December 31, 2017:

Description of Security	State Deposited	Fair Value
Bonds	Arkansas	\$ 99,360
Bonds	Mississippi	1,043,181
Bonds	Tennessee	<u>224,980</u>
Total		<u><u>\$ 1,367,521</u></u>

FINANCIAL STATEMENTS

Introduction

The following financial statements consist of a Statement of Assets, Liabilities, Surplus and Other Funds as of December 31, 2017, a Summary of Operations for the year ended December 31, 2017, a Reconciliation of Capital and Surplus for the examination period ended December 31, 2017 and a Reconciliation of Examination Adjustments to Surplus at December 31, 2017.

**Statement of Assets, Liabilities, Surplus and Other Funds
December 31, 2017**

Assets	
Bonds	\$ 2,424,522
Preferred stocks	125,000
Common stocks	7,166,035
Mortgage loans on real estate	1,387,239
Properties occupied by the company	50,000
Properties held for the production of income	1,967,284
Cash, cash equivalents	4,778,346
Contract loans	2,760
Other invested assets	158,580
Investment income due and accrued	40,526
Uncollected premiums and agent's balances in course of collection	148,632
Other amounts receivable under reinsurance contracts	131,044
Electronic data processing equipment and software	11,723
Receivables from subsidiaries	143,311
Total admitted assets	\$ 18,535,002
Liabilities, Capital and Surplus	
Aggregate reserve for life contracts	\$ 4,554,311
Aggregate reserve for accident and health contracts	915,479
Contract claims life and accident and health	725,721
Premiums and annuity considerations for life and accident and health contracts received in advance	35,355
Commissions to agents due or accrued	50,691
General expenses due or accrued	156,612
Taxes, licenses and fees due or accrued, excluding federal income taxes	61,166
Amounts withheld or retained by company as agent or trustee	18,637
Remittances and items not allocated	21,233
Asset valuation reserve	1,356,326
Total liabilities	7,895,531
Common stock	1,813,817
Additional paid-in capital	1,921,769
Unassigned funds (surplus)	15,656,752
Less: treasury stock - at cost	8,752,867
Surplus	8,825,654
Total capital and surplus	10,639,471
Total liabilities and capital and surplus	\$ 18,535,002

Summary of Operations
For the Examination Period Ended December 31, 2017

Revenue		
Premium income	\$	7,538,858
Net investment income		412,502
Amortization of Interest Maintenance Reserve		(1,140)
Commissions and expense allowances on reinsurance ceded		49,758
Aggregate write-ins for miscellaneous income		137,622
Total income		8,137,600
Expenses		
Death benefits		781,961
Annuity benefits		57,566
Disability benefits and benefits under accidental and health contracts		1,975,515
Increase (decrease) in aggregate reserves		(40,593)
Commissions on premiums, annuity considerations		2,370,842
General insurance expenses		2,221,124
Insurance, taxes, licenses and fees, excluding federal income taxes		245,315
Increase (decrease) in loading on deferred and uncollected premiums		(11,537)
Total expenses		7,600,193
Net gain from operations before federal income taxes		537,407
Federal income taxes incurred		23,939
Net realized capital gains (losses)		(6,726)
Net income		\$ 506,742

Reconciliation of Capital and Surplus

For the Examination Period Ended December 31, 2017

	2017	2016	2015	2014	2013
Capital and surplus, beginning of the year	\$ 10,107,464	\$ 8,629,528	\$ 8,577,501	\$ 8,750,050	\$ 9,547,645
Net income	506,742	1,291,163	932,236	83,556	(680,489)
Change in net unrealized capital gains (losses)	256,370	156,202	(495,486)	40,376	743,005
Change in net deferred income tax	(17,932)	(102,503)	(45,182)	16,801	53,189
Change in non-admitted assets	(71,585)	352,782	232,092	(304,780)	(875,374)
Change in asset valuation reserve	(68,077)	(149,751)	(322,828)	70,792	19,587
Change in treasury stock	-	-	(168,163)	-	-
Capital changes: paid-in Surplus	-	-	2	2	-
adjustment: paid-in	-	-	58	58	-
Dividends to stockholders	(73,513)	(69,971)	(80,696)	(79,355)	(57,514)
Aggregate write-ins for gains and losses in surplus	-	15	(5)	-	-
Capital and surplus, end of the year	\$ 10,639,469	\$ 10,107,464	\$ 8,629,528	\$ 8,577,501	\$ 8,750,050

**RECONCILIATION OF EXAMINATION ADJUSTMENTS TO SURPLUS
DECEMBER 31, 2017**

There were no changes made to the admitted assets, liabilities or surplus balances reported by the Company for the year ended December 31, 2017. The capital and surplus, which totaled \$10,639,469 as of the examination date, was determined to be reasonably stated and in compliance with Miss. Code Ann. §83-19-31.

MARKET CONDUCT ACTIVITIES

A full market conduct examination was not conducted; however, specific areas of the market conduct activities were reviewed. The specific areas reviewed included those items as indicated below.

Complaints

The Company maintained complaint documentation during the period under examination. All complaints appeared to have been appropriately resolved and no policyholder abuse was noted.

Underwriting and Rating

Based upon procedures performed during the course of the examination, the Company appeared to be appropriately applying premium rates for insured policies based on application data. It appeared that all applicable policy forms and rates had been appropriately approved by the MID.

Claims Handling

Claim files were reviewed for general indicators of policyholder treatment concerns. No significant areas of concern noted.

Producer Licensing

The Company appeared to have the appropriate licensure to issue its products and agents appeared to be properly licensed and appointed.

Privacy

Privacy notices were sent to the Company's policyholders annually and based upon the procedures performed during the course of the examination, these annual notices appeared to be in compliance with applicable laws and regulations.

COMMITMENTS AND CONTINGENT LIABILITIES

Procedures performed during the course of the examination revealed no pending litigation outside of the normal course of business, commitments or other contingent liabilities to which the Company was a party.

COMMENTS AND RECOMMENDATIONS

1. It is recommended that the Company obtain a financial institution bond in the amount suggested by the NAIC *Financial Condition Examiners Handbook*.

2. It is recommended that the Company execute a safekeeping agreement with Trustmark National Bank that complies with the requirements of the NAIC *Financial Condition Examiners Handbook*.

SUBSEQUENT EVENTS

The 2017 Form B filing reflects 750 shares acquired by Jack W. Robertson subsequent to the examination date but prior to the filing date of the Form B. This acquisition increased Jack W. Robertson's controlling interest from 64.4% to 64.6% as of June 1, 2018.

During 2019, members of management were named to the following positions:

- Roby David Toney was named Chief Technology Officer
- Richard Steven Cothorn- Chief Operating Officer
- Robert Alvin Blackmon III- Chief Financial Officer
- James Hilbun Robertson- President & Chief Executive Officer
- Angela Michelle Smith- Corporate Secretary-Treasurer

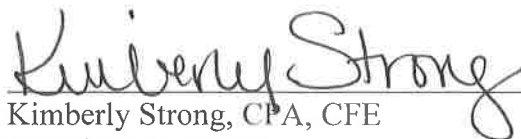
ACKNOWLEDGMENT

The examiners representing the Mississippi Insurance Department and participating in this examination were:

Administrative Examiner	Jimmy Blissett, CFE
Examiner-in-charge	Kimberly Strong, CPA, CFE
IT Specialist	Steve Sartin, CISA, CRISC
Consulting Actuary	Robert Daniel, ACAS, MAAA
Consulting Actuary	Rohan Alahakone, ASA, MAAA
Consulting Actuary	Gwendolyn Portis, ARM
Examiner	Rachel Cross
Examiner	Christa Owen

The courteous cooperation of the officers and employees responsible for assisting in the examination is hereby acknowledged and appreciated.

Respectfully submitted,



Kimberly Strong, CPA, CFE
Examiner-in-charge



Mark Cooley, CFE
Mississippi Insurance Department Designee