



LIFE AND ACCIDENT AND HEALTH COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2008
OF THE CONDITION AND AFFAIRS OF THE
INDEPENDENCE LIFE AND ANNUITY COMPANY

NAIC Group Code 0549, 0549 NAIC Company Code 64602 Employer's ID Number 61-0403075
Organized under the Laws of Rhode Island, State of Domicile or Port of Entry Rhode Island
Country of Domicile United States
Incorporated/Organized 10/11/1945 Commenced Business 11/23/1945
Statutory Home Office 1130 Ten Rod Road, Suite 302 D, North Kingstown, RI 02852-4161
Main Administrative Office One Sun Life Executive Park, Wellesley Hills, MA 02481 781-237-6030
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OFFICERS

WESTLEY VANDER THOMPSON #, President, SLF U.S.
RONALD HIEBERT FRIESEN, Sr. VP and Chief Financial Officer & Treasurer
MICHAEL SCOTT BLOOM, AVP and Senior Counsel and Secretary
KEITH GUBBAY, Sr. VP and Chief Actuary

OTHER OFFICERS

JAMES MITCHELL ANGUS ANDERSON, EVP and Chief Investment Officer
MAURA ELIZABETH SLATTERY MACHOLD, Vice President, Human Resources
JOHN ROGER WRIGHT, EVP, Sun Life Financial U.S. Operations
SCOTT MICHAEL DAVIS, Sr. VP and General Counsel
JANET VEAL WHITEHOUSE #, Sr. VP and General Manager, Individual Life Ins.

DIRECTORS OR TRUSTEES

SCOTT MICHAEL DAVIS, RONALD HIEBERT FRIESEN, KEITH GUBBAY, WESTLEY VANDER THOMPSON #
JANET VEAL WHITEHOUSE #

State of Massachusetts
County of Norfolk ss

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.

WESTLEY V. THOMPSON
President, SLF U.S.

MICHAEL SCOTT BLOOM
AVP and Senior Counsel and Secretary

a. Is this an original filing? Yes [ X ] No [ ]

Subscribed and sworn to before me this
day of

b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	55,416,081		55,416,081	57,067,592
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	999,075		999,075	1,496,533
2.2 Common stocks .....	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....929,504 , Schedule E - Part 1), cash equivalents (\$ .....0 , Schedule E - Part 2) and short-term investments (\$ .....2,660,015 , Schedule DA).....	3,589,519		3,589,519	3,865,587
6. Contract loans (including \$ .....premium notes)	24,702,932		24,702,932	26,415,557
7. Other invested assets (Schedule BA) .....	0	0	0	0
8. Receivables for securities .....	80,237		80,237	0
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	84,787,844	0	84,787,844	88,845,269
11. Title plants less \$ .....charged off (for Title insurers only).....			0	0
12. Investment income due and accrued .....	1,519,525		1,519,525	1,373,684
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....			0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....earned but unbilled premium).....			0	0
13.3 Accrued retrospective premiums.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	236,393		236,393	43,668
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....	173,728		173,728	0
16.2 Net deferred tax asset.....	2,600,256	2,336,163	264,093	278,941
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....			0	0
19. Furniture and equipment, including health care delivery assets (\$ .....)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
21. Receivables from parent, subsidiaries and affiliates .....			0	0
22. Health care (\$ .....) and other amounts receivable.....			0	0
23. Aggregate write-ins for other than invested assets .....	9,226	0	9,226	15,291
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	89,326,972	2,336,163	86,990,809	90,556,853
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	44,615,970		44,615,970	71,829,787
26. Total (Lines 24 and 25)	133,942,942	2,336,163	131,606,779	162,386,640
<b>DETAILS OF WRITE-INS</b>				
0901. ....			0	0
0902. ....			0	0
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Management fee receivable.....	9,226		9,226	15,291
2302. ....			0	0
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	9,226	0	9,226	15,291

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ .....34,308,440 (Exhibit 5, Line 9999999) less \$ ..... included in Line 6.3 (including \$ ..... Modco Reserve) .....	34,308,440	36,851,362
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$ ..... Modco Reserve) .....	0	0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ ..... Modco Reserve) .....	0	0
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....	270,993	164,132
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) .....	0	0
5. Policyholders' dividends \$ ..... and coupons \$ ..... 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 \$ ..... Modco) .....	0	0
6.2 Dividends not yet apportioned (including \$ ..... Modco) .....	0	0
6.3 Coupons and similar benefits (including \$ ..... 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 \$ ..... discount; including \$ ..... 0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14) .....	0	0
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....	0	0
9.2 Provision for experience rating refunds, including \$ ..... accident and health experience rating refunds .....	0	0
9.3 Other amounts payable on reinsurance, including \$ ..... assumed and \$ .....69,100 ceded .....	69,100	61,600
9.4 Interest Maintenance Reserve (IMR, Line 6) .....	80,808	103,035
10. Commissions to agents due or accrued-life and annuity contracts \$ ..... accident and health \$ ..... and deposit-type contract funds \$ .....	0	0
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 \$ ..... accrued for expense allowances recognized in reserves, net of reinsured allowances) .....	(695,559)	(697,538)
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 \$ ..... on realized capital gains (losses) .....	0	158,581
15.2 Net deferred tax liability .....	0	0
16. Unearned investment income .....	0	0
17. Amounts withheld or retained by company as agent or trustee .....	0	0
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....	0	0
19. Remittances and items not allocated .....	26,705	11,520
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 \$ ..... and interest thereon \$ .....	0	0
23. Dividends to stockholders declared and unpaid .....	0	0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR, Line 16, Col. 7) .....	0	113,211
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 .....	146,137	103,763
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 .....	75,117	433,726
24.9 Capital notes \$ ..... and interest thereon \$ .....	0	0
25. Aggregate write-ins for liabilities .....	0	2,781
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	34,281,742	37,306,173
27. From Separate Accounts statement .....	44,615,970	71,829,787
28. Total liabilities (Lines 26 and 27) .....	78,897,712	109,135,960
29. Common capital stock .....	2,541,722	2,541,722
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) .....	22,678,309	22,678,309
34. Aggregate write-ins for special surplus funds .....	0	0
35. Unassigned funds (surplus) .....	27,489,036	28,030,649
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 29 \$ ..... ) .....	0	0
36.2 ..... shares preferred (value included in Line 30 \$ ..... ) .....	0	0
37. Surplus (Total Lines 31+32+33+34+35-36) ( including \$ ..... in Separate Accounts Statement) .....	50,167,345	50,708,958
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) .....	52,709,067	53,250,680
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3) .....	131,606,779	162,386,640
<b>DETAILS OF WRITE-INS</b>		
2501. Escheatment liability.....		2,781
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) .....	0	2,781
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....	0	0
3199. Totals (Lines 3101 through 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 through 3403 plus 3498)(Line 34 above) .....	0	0

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	(780,015)	(758,171)
2. Considerations for supplementary contracts with life contingencies	0	0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	4,618,397	4,616,684
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	35,009	35,444
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)	0	0
7. Reserve adjustments on reinsurance ceded	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	1,823,444	1,771,952
8.2 Charges and fees for deposit-type contracts	0	0
8.3 Aggregate write-ins for miscellaneous income	261,413	268,554
9. Totals (Lines 1 to 8.3)	5,958,248	5,934,463
10. Death benefits	9,935,152	5,382,848
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	0	0
13. Disability benefits and benefits under accident and health contracts	0	0
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0
15. Surrender benefits and withdrawals for life contracts	4,678,278	13,616,108
16. Group conversions	0	0
17. Interest and adjustments on contract or deposit-type contract funds	141,156	63,203
18. Payments on supplementary contracts with life contingencies	31,222	38,378
19. Increase in aggregate reserves for life and accident and health contracts	(2,542,923)	(10,497,954)
20. Totals (Lines 10 to 19)	12,242,885	8,602,583
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	0	0
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	0	0
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	276,888	276,029
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	13,943	1,304
25. Increase in loading on deferred and uncollected premiums	0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance	(10,195,327)	(5,905,152)
27. Aggregate write-ins for deductions	0	597
28. Totals (Lines 20 to 27)	2,338,389	2,975,361
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	3,619,859	2,959,102
30. Dividends to policyholders	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	3,619,859	2,959,102
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	811,677	658,727
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)	2,808,182	2,300,375
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 75,442 (excluding taxes of \$ 6,883 transferred to the IMR)	(3,417,006)	(533,069)
35. Net income (Line 33 plus Line 34)	(608,824)	1,767,306
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	53,250,680	51,257,928
37. Net income (Line 35)	(608,824)	1,767,306
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ (10,903)	(20,247)	2,184
39. Change in net unrealized foreign exchange capital gain (loss)	0	0
40. Change in net deferred income tax	983,489	(89,076)
41. Change in nonadmitted assets	(1,009,241)	92,171
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 (Exhibit 5A, Line 9999999, Col. 4)	0	0
44. Change in asset valuation reserve	113,211	220,167
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	0
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	0	0
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)	(541,613)	1,992,752
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	52,709,067	53,250,680
<b>DETAILS OF WRITE-INS</b>		
08.301. Management fee income	261,413	268,554
08.302.	0	0
08.303.	0	0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	261,413	268,554
2701. Other tax penalties	0	597
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	0	597
5301.	0	0
5302.	0	0
5303.	0	0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	0	0

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	(780,015)	(758,171)
2. Net investment income.....	4,651,543	4,707,072
3. Miscellaneous income.....	2,084,857	2,040,507
4. Total (Lines 1 through 3).....	5,956,385	5,989,408
5. Benefit and loss related payments.....	14,871,672	19,093,230
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	(10,197,306)	(5,942,251)
7. Commissions, expenses paid and aggregate write-ins for deductions.....	290,831	277,930
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....82,326 tax on capital gains (losses).....	1,226,313	412,590
10. Total (Lines 5 through 9).....	6,191,510	13,841,499
11. Net cash from operations (Line 4 minus Line 10).....	(235,125)	(7,852,091)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	5,920,663	8,499,639
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	996
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	5,920,663	8,500,635
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	7,303,723	13,565,513
13.2 Stocks.....	0	496,970
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	438,845	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	7,742,568	14,062,483
14. Net increase (decrease) in contract loans and premium notes.....	(1,712,625)	(11,151,743)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	(109,280)	5,589,895
<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	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	(14,625)
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	68,337	(74,924)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	68,337	(89,549)
<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).....	(276,068)	(2,351,745)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	3,865,587	6,217,332
19.2 End of year (Line 18 plus Line 19.1).....	3,589,519	3,865,587

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	(780,015)	.0	(780,015)	.0		.0	.0	.0	.0	.0	.0	
2. Considerations for supplementary contracts with life contingencies	.0											
3. Net investment income	4,618,398		4,534,805	33,714	49,879							
4. Amortization of Interest Maintenance Reserve (IMR)	35,008		34,374	256	378							
5. Separate Accounts net gain from operations excluding unrealized gains or losses	.0											
6. Commissions and expense allowances on reinsurance ceded	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0	.0
7. Reserve adjustments on reinsurance ceded	.0											
8. Miscellaneous income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	1,823,444		1,823,444									
8.2 Charges and fees for deposit-type contracts	.0											
8.3 Aggregate write-ins for miscellaneous income	261,410	.0	259,502	1,908	.0	.0	.0	.0	.0	.0	.0	.0
9. Totals (Lines 1 to 8.3)	5,958,245	.0	5,872,110	35,878	50,257	.0	.0	.0	.0	.0	.0	.0
10. Death benefits	9,935,152		9,935,152									
11. Matured endowments (excluding guaranteed annual pure endowments)	.0	.0	.0				.0					
12. Annuity benefits	.0			.0				.0				
13. Disability benefits and benefits under accident and health contracts	.0								.0			
14. Coupons, guaranteed annual pure endowments and similar benefits	.0											
15. Surrender benefits and withdrawals for life contracts	4,678,278		4,678,278									
16. Group conversions	.0											
17. Interest and adjustments on contract or deposit-type contract funds	141,156		141,156									
18. Payments on supplementary contracts with life contingencies	31,222				31,222							
19. Increase in aggregate reserves for life and accident and health contracts	(2,542,923)		(2,543,204)	8,640	(8,359)							
20. Totals (Lines 10 to 19)	12,242,885	.0	12,211,382	8,640	22,863	.0	.0	.0	.0	.0	.0	.0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0	.0
22. Commissions and expense allowances on reinsurance assumed	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0	.0
23. General insurance expenses	276,885		276,885									
24. Insurance taxes, licenses and fees, excluding federal income taxes	13,942		13,942									
25. Increase in loading on deferred and uncollected premiums	.0											
26. Net transfers to or (from) Separate Accounts net of reinsurance	(10,195,327)		(10,195,327)									
27. Aggregate write-ins for deductions	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
28. Totals (Lines 20 to 27)	2,338,385	.0	2,306,882	8,640	22,863	.0	.0	.0	.0	.0	.0	.0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	3,619,860	.0	3,565,228	27,238	27,394	.0	.0	.0	.0	.0	.0	.0
30. Dividends to policyholders	.0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	3,619,860	.0	3,565,228	27,238	27,394	.0	.0	.0	.0	.0	.0	.0
32. Federal income taxes incurred (excluding tax on capital gains)	811,678		799,427	6,108	6,143							
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)	2,808,182	.0	2,765,801	21,130	21,251	.0	.0	.0	.0	.0	.0	.0
<b>DETAILS OF WRITE-INS</b>												
08.301. Management fee income	261,410		259,502	1,908								
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 through 08.303 plus 08.398) (Line 8.3 above)	261,410	.0	259,502	1,908	.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 through 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 ..... Line 10 ..... Line 16 ..... Line 23 ..... Line 24 .....

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
<b>Involving Life or Disability Contingencies (Reserves)</b> (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year .....	36,851,362	0	36,208,365	255,852	387,145	0	0	0
2. Tabular net premiums or considerations .....	0							
3. Present value of disability claims incurred .....	0				XXX			
4. Tabular interest .....	1,717,132		1,684,647	8,176	24,309			
5. Tabular less actual reserve released .....	(531,963)		(530,981)	464	(1,446)			
6. Increase in reserve on account of change in valuation basis .....	0							
7. Other increases (net) .....	0							
8. Totals (Lines 1 to 7) .....	38,036,531	0	37,362,031	264,492	410,008	0	0	0
9. Tabular cost .....	0				XXX			
10. Reserves released by death .....	9,207,140		9,207,140	XXX	XXX			XXX
11. Reserves released by other terminations (net) .....	4,685,056		4,685,056					
12. Annuity, supplementary contract, and disability payments involving life contingencies .....	31,222		0		31,222			
13. Net transfers to or (from) Separate Accounts .....	(10,195,327)		(10,195,327)					
14. Total deductions (Lines 9 to 13) .....	3,728,091	0	3,696,869	0	31,222	0	0	0
15. Reserve December 31, current year .....	34,308,440	0	33,665,162	264,492	378,786	0	0	0

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EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 396,710	428,759
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 2,776,199	2,759,619
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 89,043	87,590
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans	1,311,612	1,311,612
6. Cash, cash equivalents and short-term investments	(e) 40,861	40,861
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	46,096	46,096
10. Total gross investment income	4,660,521	4,674,537
11. Investment expenses		(g) 54,240
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 1,900
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		56,140
17. Net investment income (Line 10 minus Line 16)		4,618,397
<b>DETAILS OF WRITE-INS</b>		
0901. Miscellaneous Investment Income	46,096	46,096
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	46,096	46,096
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		0

(a) Includes \$ 34,340 accrual of discount less \$ 213,802 amortization of premium and less \$ 62,337 paid for accrued interest on purchases.  
 (b) Includes \$ 475 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 \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.  
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.  
 (f) Includes \$ accrual of discount less \$ amortization of premium.  
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.  
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5. Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	39,828		39,828		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	(20,164)	(2,844,204)	(2,864,368)	(30,575)	
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	(497,357)	(497,357)	(575)	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	0	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)	19,664	(3,341,561)	(3,321,897)	(31,150)	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 through 0903) plus 0998 (Line 9, above)	0	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH POLICIES AND CONTRACTS**

	1		2		3		4		5		6		7		8		9		10		11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business											
<b>FIRST YEAR (other than single)</b>																						
1. Uncollected	.0																					
2. Deferred and accrued	.0																					
3. Deferred, accrued and uncollected:																						
3.1 Direct	.0																					
3.2 Reinsurance assumed	.0																					
3.3 Reinsurance ceded	.0																					
3.4 Net (Line 1 + Line 2)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.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	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:																						
6.1 Direct	.0																					
6.2 Reinsurance assumed	.0																					
6.3 Reinsurance ceded	.0																					
6.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Line 5 + Line 6.4	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.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	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. First year premiums and considerations:																						
9.1 Direct	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.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	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net (Line 7 - Line 8)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
<b>SINGLE</b>																						
10. Single premiums and considerations:																						
10.1 Direct	.0																					
10.2 Reinsurance assumed	.0																					
10.3 Reinsurance ceded	.780,015		.780,015																			
10.4 Net	(780,015)	.0	(780,015)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
<b>RENEWAL</b>																						
11. Uncollected	.0																					
12. Deferred and accrued	.0																					
13. Deferred, accrued and uncollected:																						
13.1 Direct	.0																					
13.2 Reinsurance assumed	.0																					
13.3 Reinsurance ceded	.0																					
13.4 Net (Line 11 + Line 12)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Line 13.4 - Line 14	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
16. Collected during year:																						
16.1 Direct	.0																					
16.2 Reinsurance assumed	.0																					
16.3 Reinsurance ceded	.0																					
16.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. Line 15 + Line 16.4	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
18. Prior year (uncollected + deferred and accrued - advance)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19. Renewal premiums and considerations:																						
19.1 Direct	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.4 Net (Line 17 - Line 18)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
<b>TOTAL</b>																						
20. Total premiums and annuity considerations:																						
20.1 Direct	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.3 Reinsurance ceded	.780,015	.0	.780,015	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.4 Net (Lines 9.4 + 10.4 + 19.4)	(780,015)	.0	(780,015)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0

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**EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)**

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21. To pay renewal premiums .....	0										
22. All other .....	0										
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded .....	0										
23.2 Reinsurance assumed .....	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										
24.2 Reinsurance assumed .....	0										
24.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded .....	0										
25.2 Reinsurance assumed .....	0										
25.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6) .....	0	0	0	0	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 22) .....	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
<b>COMMISSIONS INCURRED (direct business only)</b>											
27. First year (other than single) .....	0										
28. Single .....	0										
29. Renewal .....	0										
30. Deposit-type contract funds .....	0										
31. Totals (to agree with Page 6, Line 21) .....	0	0	0	0	0	0	0	0	0	0	0

**NONE**

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			
1. Rent	13,902	0	0	0	2,434	16,336
2. Salaries and wages	166,353	0	0	0	29,120	195,473
3.11 Contributions for benefit plans for employees	28,753	0	0	0	5,033	33,786
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	881	0	0	0	154	1,035
3.32 Other agent welfare	(347)	0	0	0	(61)	(408)
4.1 Legal fees and expenses	7,908	0	0	0	1,384	9,292
4.2 Medical examination fees	1,535	0	0	0	0	1,535
4.3 Inspection report fees	0	0	0	0	0	0
4.4 Fees of public accountants and consulting actuaries	4,131	0	0	0	724	4,855
4.5 Expense of investigation and settlement of policy claims	(228)	0	0	0	0	(228)
5.1 Traveling expenses	5,347	0	0	0	936	6,283
5.2 Advertising	628	0	0	0	110	738
5.3 Postage, express, telegraph and telephone	6,264	0	0	0	1,096	7,360
5.4 Printing and stationery	5,380	0	0	0	942	6,322
5.5 Cost or depreciation of furniture and equipment	3,215	0	0	0	563	3,778
5.6 Rental of equipment	987	0	0	0	173	1,160
5.7 Cost or depreciation of EDP equipment and software	2,658	0	0	0	465	3,123
6.1 Books and periodicals	108	0	0	0	19	127
6.2 Bureau and association fees	1,449	0	0	0	254	1,703
6.3 Insurance, except on real estate	(127)	0	0	0	(22)	(149)
6.4 Miscellaneous losses	(37,784)	0	0	0	0	(37,784)
6.5 Collection and bank service charges	3,512	0	0	0	0	3,512
6.6 Sundry general expenses	28,080	0	0	0	4,915	32,995
6.7 Group service and administration fees	0	0	0	0	0	0
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	1,687	0	0	0	295	1,982
9.1 Real estate expenses	0	0	0	0	0	0
9.2 Investment expenses not included elsewhere	0	0	0	0	0	0
9.3 Aggregate write-ins for expenses	32,596	0	0	0	5,706	38,302
10. General expenses incurred	276,888	0	0	0	54,240	(a) 331,128
11. General expenses unpaid December 31, prior year	0	0	0	0	0	0
12. General expenses unpaid December 31, current year	0	0	0	0	0	0
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)	276,888	0	0	0	54,240	331,128
<b>DETAILS OF WRITE-INS</b>						
09.301. Intercompany	0	0	0	0	0	0
09.302. Home Office	28,961	0	0	0	5,070	34,031
09.303. SLFUS Chargebacks	3,635	0	0	0	636	4,271
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 through 09.303 + 09.398) (Line 9.3 above)	32,596	0	0	0	5,706	38,302

(a) Includes management fees of \$ 328,266 to affiliates and \$ to non-affiliates.

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes	0	0	0	0	0
2. State insurance department licenses and fees	3,088	0	0	0	3,088
3. State taxes on premiums	0	0	0	0	0
4. Other state taxes, incl. \$ for employee benefits	737	0	0	129	866
5. U.S. Social Security taxes	10,118	0	0	1,771	11,889
6. All other taxes	0	0	0	0	0
7. Taxes, licenses and fees incurred	13,943	0	0	1,900	15,843
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)	13,943	0	0	1,900	15,843

EXHIBIT 4 - DIVIDENDS OR REFUNDS

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

NONE





ANNUAL STATEMENT FOR THE YEAR 2008 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

**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? ..... \$ .....  
     4.2 Amount of reserve? ..... \$ .....  
     4.3 Basis of reserve  
     .....  
     4.4 Basis of regular assessments  
     .....  
     4.5 Basis of special assessments  
     .....  
     4.6 Assessments collected during the year ..... \$ .....
- 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: ..... \$ .....  
     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: ..... \$ .....  
     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: ..... \$ .....  
     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: ..... \$ .....  
     7.4 Identify where the reserves are reported in the blank  
     .....

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

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
<b>LIFE CONTRACTS (Including supplementary contracts set upon a basis other than that used to determine benefits) (Exhibit 5)</b>			
0199999 Subtotal (Page 7, Line 6)	XXX	XXX	
<b>ACCIDENT AND HEALTH CONTRACTS (Exhibit 6)</b>			
0299999 Subtotal	XXX	XXX	
<b>DEPOSIT-TYPE CONTRACTS (Exhibit 7)</b>			
<b>NONE</b>			
0399999 Subtotal	XXX	XXX	
9999999 - Total (Column 4 only)			

Exhibit 6 - Agg. Res. for A&H Contracts

**NONE**

Exhibit 7 - Deposit Type Contracts

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

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

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct .....	0										
1.2 Reinsurance assumed .....	0										
1.3 Reinsurance ceded .....	0										
1.4 Net .....	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted .....											
2.11 Direct .....	0										
2.12 Reinsurance assumed .....	0										
2.13 Reinsurance ceded .....	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										
2.22 Reinsurance assumed .....	0										
2.23 Reinsurance ceded .....	0										
2.24 Net .....	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0
3. Incurred but unreported:											
3.1 Direct .....	426,341		426,341								
3.2 Reinsurance assumed .....	0										
3.3 Reinsurance ceded .....	155,348		155,348								
3.4 Net .....	270,993	0	(b) 270,993	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0
4. TOTALS .....											
4.1 Direct .....	426,341	0	426,341	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	155,348	0	155,348	0	0	0	0	0	0	0	0
4.4 Net .....	270,993	(a) 0	(a) 270,993	0	0	0	(a) 0	0	0	0	0

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ ..... in Column 2, \$ ..... in Column 3 and \$ ..... 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 \$ ....., Individual Annuities \$ ....., Credit Life (Group and Individual) \$ ....., and Group Life \$ ..... are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ ....., Credit (Group and Individual) Accident and Health \$ ....., and Other Accident and Health \$ ..... are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

**PART 2 - Incurred During the Year**

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct .....	13,025,140		12,993,918		31,222						
1.2 Reinsurance assumed .....	0										
1.3 Reinsurance ceded .....	2,972,902		2,972,902								
1.4 Net .....	10,052,238	0	10,021,016	0	31,222	0	0	0	0	0	0
2. Liability December 31, current year from Part 1:											
2.1 Direct .....	426,341	0	426,341	0	0	0	0	0	0	0	0
2.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded .....	155,348	0	155,348	0	0	0	0	0	0	0	0
2.4 Net .....	270,993	0	270,993	0	0	0	0	0	0	0	0
3. Amounts recoverable from reinsurers December 31, current year .....	236,393		236,393								
4. Liability December 31, prior year:											
4.1 Direct .....	238,471	0	238,471	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	74,339	0	74,339	0	0	0	0	0	0	0	0
4.4 Net .....	164,132	0	164,132	0	0	0	0	0	0	0	0
5. Amounts recoverable from reinsurers December 31, prior year .....	43,668	0	43,668	0	0	0	0	0	0	0	0
6. Incurred benefits:											
6.1 Direct .....	13,213,010	0	13,181,788	0	31,222	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 .....	3,246,636	0	3,246,636	0	0	0	0	0	0	0	0
6.4 Net .....	9,966,374	0	9,935,152	0	31,222	0	0	0	0	0	0

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
 \$ ..... in Line 6.1 and \$ ..... in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
 \$ ..... in Line 6.1 and \$ ..... in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
 \$ ..... in Line 6.1 and \$ ..... in Line 6.4.

(d) Includes \$ ..... premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule-E Part 1), cash equivalents (Schedule-E Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans .....	0	0	0
7. Other invested assets (Schedule BA) .....	0	0	0
8. Receivables for securities .....	0	0	0
9. Aggregate write-ins for invested assets .....	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	0	0	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued .....	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection .....	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premiums.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers .....	0	0	0
14.2 Funds held by or deposited with reinsured companies .....	0	0	0
14.3 Other amounts receivable under reinsurance contracts .....	0	0	0
15. Amounts receivable relating to uninsured plans .....	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
16.2 Net deferred tax asset.....	2,336,163	1,326,922	(1,009,241)
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 .....	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	2,336,163	1,326,922	(1,009,241)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	2,336,163	1,326,922	(1,009,241)
<b>DETAILS OF WRITE-INS</b>			
0901. ....	0	0	0
0902. ....	0	0	0
0903. ....	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301. ....	0	0	0
2302. ....	0	0	0
2303. ....	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	0	0	0

## NOTES TO FINANCIAL STATEMENTS

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**NOTES TO FINANCIAL STATEMENTS**

**Note 1: Summary of Significant Accounting Policies**

A. Accounting Practices

The financial statements of the Independence Life and Annuity Company (“the Company”) are presented on the basis of accounting practices prescribed or permitted by the Rhode Island Insurance Division.

The Rhode Island Insurance Division recognizes only statutory accounting practices prescribed or permitted by the State of Rhode Island for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Rhode Island Insurance Division Law. The National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures manual (“NAIC SAP”), has been adopted as a component of prescribed or permitted practices by the State of Rhode Island. As of December 31, 2008, the Commissioner has not permitted the Company to use any accounting practices that would result in the Company’s earnings or financial position to deviate materially from NAIC SAP.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Rhode Island is shown below:

Description	State of Domicile	2008	2007
(1) Net Income Rhode Island State basis	Rhode Island	\$ (608,824)	\$ 1,767,306
(2) State Prescribed Practices:		0	0
(3) State Permitted Practices:		0	0
(4) Net Income, NAIC SAP		<u>\$ (608,824)</u>	<u>\$ 1,767,306</u>
(5) Statutory Surplus Rhode Island State basis		\$ 50,167,345	\$ 50,708,958
(6) State Prescribed Practices:		0	0
(7) State Permitted Practices:		0	0
(8) Statutory Surplus, NAIC SAP		<u>\$ 50,167,345</u>	<u>\$ 50,708,958</u>

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

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

C. Accounting Policy

The reserves for life insurance and annuity contracts are computed in accordance with presently accepted actuarial standards, and are based on actuarial assumptions and methods (including use of published mortality tables and prescribed interest rates) which produce reserves at least as great as those required by law and contract provisions.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost, which approximates fair market value.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific method except where the NAIC rating has fallen to 6 and the NAIC market value has fallen below amortized cost, in which case they are carried at NAIC market value.
- (3) The Company does not hold any affiliated or unaffiliated common stocks.
- (4) The Company does not hold any preferred stocks. The Company does disclose its hybrid securities in the preferred stock schedules as per NAIC instructions and as detailed in Note 20G.
- (5) The Company has no investments in mortgage loans.
- (6) Loan-backed bonds and structured securities are stated at amortized cost using the scientific method except where the NAIC rating has fallen to 6 and the NAIC Market value has fallen below amortized cost, in which case they are carried at NAIC market value. Amortization of loan-backed bonds and structured securities is based on prepayment assumptions at the date of purchase; significant changes of estimated cash flows from original purchase assumptions are accounted for using the composite method.
- (7) The Company does not hold any investments in subsidiaries.

## NOTES TO FINANCIAL STATEMENTS

(8) The Company does not hold any investments in joint ventures, partnerships or limited liability companies.

(9) The Company does not have any investments in derivatives.

(10) The Company does not anticipate investment income as a factor in the premium deficiency calculations.

(11) The Company does not hold any accident and health contracts.

(12) The Company did not modify its capitalization policy from the prior year.

(13) The Company does not have any pharmaceutical rebate receivables.

**Note 2: Accounting Changes and Corrections of Errors**

A. The Company did not have any material changes in accounting principles or correction of errors during the statement year.

**Note 3: Business Combinations and Goodwill**

A. The statutory purchase method

The Company did not enter into any business combinations that would be accounted for under the statutory purchase method.

B. Statutory Merger

The Company was not a part of any statutory mergers during the statement year.

C. Assumption Reinsurance

The Company did not enter into any assumption reinsurance agreements during the statement year.

D. Impairment Loss

The Company did not recognize any impairment losses on any of the transactions described above during the statement year.

**Note 4: Discontinued Operations**

The Company did not have any discontinued operations during the statement year.

**Note 5: Investments**

A. Mortgage Loans, Including Mezzanine Real Estate Loans

(1) As of December 31, 2008, the Company does not hold any mortgage loans or real estate.

(2) Not applicable.

(3) Not applicable.

	<u>Current Year</u>	<u>Prior Year</u>
(4) As of year end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest:	\$0	\$0
a. Total interest due on mortgages with interest more than 180 days past due	\$0	\$0
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	\$0	\$0
(6) Current year impaired loans with a related allowance for credit losses:		
a. Related allowance for credit losses	\$0	\$0
(7) Impaired Mortgage loans without an allowance for credit losses	\$0	\$0
(8) Average recorded investment in impaired loans	\$0	\$0
(9) Interest income recognized during the period the loans were impaired	\$0	\$0
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired	\$0	\$0
(11) Allowance for credit losses:		
a. Balance at beginning or period	\$0	\$0
b. Additions charged to operations	\$0	\$0
c. Direct write-downs charged against the allowances	\$0	\$0

## NOTES TO FINANCIAL STATEMENTS

d. Recoveries of amounts previously charged off	\$0	\$0
e. Balance at end of period	\$0	\$0

(12) The Company recognizes interest income on its impaired loans upon receipt

B. Debt Restructuring

The Company did not have any debt restructuring during the current statement year.

C. Reverse Mortgages

The Company has no reverse mortgage investments.

D. Loan-Backed Securities

(1) The Company has elected to use the book value as of January 1, 1996 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.

(2) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

(3) The Company had no negative yield situations requiring a change from the retrospective to prospective method.

E. Repurchase Agreements

The Company has no repurchase agreements.

F. Real Estate

The Company does not have any real estate holdings.

G. Investments in Low Income Housing Tax Credits

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

**Note 6: Joint Ventures, Partnerships and Limited Liability Companies**

A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets

The Company does not hold any ownership interests in joint ventures, partnerships or limited liability companies.

B. Write-downs for Impairments

Not applicable

**Note 7: Investment Income**

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

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. The total amount of investment income due and accrued excluded from surplus for 2008 was \$0.

**Note 8: Derivative Instruments**

The Company does not hold any derivative instruments.

## NOTES TO FINANCIAL STATEMENTS

## Note 9: Income Taxes

- A. The components of the net deferred tax asset/(liability) at December 31, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Total of Gross Deferred Tax Assets	\$ 2,686,496	\$ 1,701,358
Total of Deferred Tax Liabilities	86,240	95,495
Net Deferred Tax Asset	\$ 2,600,256	\$1,605,863
Total Non-admitted Deferred Tax Assets	2,336,163	1,326,922
Net Admitted Deferred Tax Asset	<u>\$ 264,093</u>	<u>\$ 278,941</u>

- B. Not applicable
- C. Current income tax expense (benefit) for the years ended December 31, 2008 and 2007 was as follows:
- D.

	<u>2008</u>	<u>2007</u>
Federal Tax on Operations	\$ 811,677	\$ 658,727
Foreign Tax on Operations	0	0
Federal Tax on Capital Gains	82,325	16,736
Federal and Foreign Income Taxes Incurred	<u>\$ 894,002</u>	<u>\$ 675,463</u>

The main components of the 2008 deferred tax amounts are as follows:

DTA	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Reserves	\$ 210,360	\$ 528,548
Deferred Acquisition Costs	531,808	714,143
Investment Assets	1,767,216	258,946
Goodwill	177,112	199,721
Other / Miscellaneous	0	0
Total DTA's	<u>\$ 2,686,496</u>	<u>\$ 1,701,358</u>
DTA's non-admitted	<u>\$ 2,336,163</u>	<u>\$ 1,326,922</u>
DTL	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Investment Assets	0	\$ 9,254
Other / Miscellaneous	86,240	86,241
Total DTL's	<u>\$ 86,240</u>	<u>\$ 95,495</u>

- E. Among the more significant book to tax differences are the following at December 31, 2008:

	<u>Amount</u>	<u>Tax Effect</u>
Income before taxes	\$ 3,619,859	\$ 1,266,952
Capital Gains - Pre IMR	(3,321,898)	(1,162,664)
Prior Year over/under accrual		(53,119)
Dividend Received Deduction		(80,857)
Foreign Tax Credit		(47,547)
IMR		(12,253)
Total		(89,488)
Federal Current Tax Expense		\$894,002
Change in Net Deferred Tax Expense (Benefit)		(983,490)
Prior Period Current Tax		0
Total Expense (Benefit)		<u>\$ (89,488)</u>

## NOTES TO FINANCIAL STATEMENTS

F. (1) At December 31, 2008 the Company had \$0 NOL carry forwards.

(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future losses:

2008	\$	808,641
2007	\$	787,301
2006	\$	802,383

F. Information regarding consolidated federal income tax return

(1) The Company files a consolidated federal income tax return with the following affiliates:

Sun Life Assurance Company of Canada – U.S. Operations Holdings, Inc.	MFS Fund Distributors, Inc.
Sun Life Financial (U.S.) Holdings, Inc.	MFS Service Center, Inc.
Sun Life Financial (Japan), Inc.	MFS Institutional Advisors, Inc.
Sun Life Financial (U.S.) Finance Inc.	Sun Life Retirement Services, Inc.
Sun Canada Financial Co.	MFS Heritage Trust Company
Sun Life of Canada (U.S.) SPE 97-1, Inc.	IFMG of Oklahoma, Inc.
Sun Life Financial Distributors, Inc.	IFS Insurance Agencies of Texas, Inc.
MFS Investment Management K.K.	IFS Insurance Agencies of Ohio, Inc.
Clarendon Insurance Agency, Inc.	Sun Life Insurance and Annuity Company of New York
Sun Life of Canada (U.S.) Holdings, Inc.	California Benefits Dental Plan
Massachusetts Financial Services Company	Sun Life Administrators (U.S.), Inc.
Sun Life of Canada (U.S.) Financial Services Holdings, Inc.	Four Pillars Capital, Inc.
MFS Japan Holdings, LLC	Dental Holdings, Inc.
Sun Life Assurance Company of Canada (US.)	MFS Development Funds, LLC
Independence Life and Annuity Company	

(2) Not applicable

### Note 10: Information Concerning Parent, Subsidiaries and Affiliates

- A. Effective December 31, 2003, the Company became a wholly owned subsidiary of Sun Life Assurance Company of Canada (U.S.) (“Sun Life (U.S.)”). Sun Life (U.S.) is a Delaware domestic insurance company and a wholly owned direct subsidiary of Sun Life of Canada (U.S.) Holdings, Inc. The ultimate parent within the Sun Life Financial Group Insurance Holding Company System is Sun Life Financial Inc., a publicly traded Canadian holding company.
- B. The Company had no material related party transactions during 2008 and 2007.
- C. Not applicable
- D. The Company had \$146,137 and \$103,763 due to related parties at December 31, 2008 and 2007, respectively, under the terms of various management and service contracts which provide for cash settlements on a quarterly or more frequent basis.
- E. The Company has no guarantees or undertakings for the benefit of an affiliate.
- F. Material management and service contracts and all cost sharing arrangements involving the Company and any related party are as follows:
1. An administrative services agreement between the Company and Sun Life Assurance Company of Canada (U.S.), whereby Sun Life Assurance Company of Canada (U.S.) provides personnel, facilities, and actuarial, legal, and other administrative services to the Company on a cost reimbursement basis. (Reference: GSA-14)
  2. An investment advisory agreement between the Company and Sun Capital Advisers LLC, under which Sun Capital Advisers LLC acts as investment manager for certain of the Company’s portfolios. (Reference: ISA-16)
  3. A principal underwriter’s agreement between the Company and Clarendon Insurance Agency, Inc. (formerly Keyport Financial Services Corp.), whereby Clarendon Insurance Agency, Inc. provides underwriting and distribution services in connection with certain single premium variable life policies (Variable Life Separate Account) issued by the Company. (Reference: MSA-26)
- G. The Company is wholly-owned by Sun Life Assurance Company of Canada (U.S.)
- H. The Company owns no shares of an upstream intermediate or ultimate parent, either directly or indirectly, via a downstream subsidiary, controlled or affiliated entity.
- I. The Company does not have investments in a subsidiary, controlled or affiliated entities.
- J. The Company does not have any impaired investments in a subsidiary, controlled or affiliated entities.
- K. The Company has no investment in a foreign insurance subsidiary.

## NOTES TO FINANCIAL STATEMENTS

L. The Company does not hold an investment in a down stream non-insurance holding company.

**Note 11: Debt**

- A. & B The Company has no outstanding debt.
- C. The Company did not enter into any reverse purchase agreements during the statement year.

**Note 12: Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

- A. Defined Benefit Plans  
The Company does not have any employees.
- B. Defined Contribution Plans  
The Company does not have any employees.
- C. Multiemployer Plans  
The Company does not have any employees.
- D. Consolidated/Holding Company Plans  
The Company does not have any employees.
- E. Post-employment Benefit and Compensated Absences  
The Company does not have any employees.
- F. Impact of Medicare Modernization Act on Postretirement Benefits.  
The Company did not experience any impact due to the Medicare Modernization Act.

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

1. The Company is authorized to issue 5,000,000 shares of \$1 par value common stock; 2,541,722 shares are issued and outstanding.
2. The Company has no preferred stock authorized or outstanding.
3. The Company's ability to pay dividends is subject to certain restrictions. Rhode Island law requires prior regulatory approval for any dividend where the amount of such dividend, together with that of other dividends or distributions paid during the preceding twelve (12) month period would exceed the lesser of (i) ten percent of the insurance company's surplus as of the preceding December 31, or (ii) its net gain from operations, not including realized capital gains for the immediately preceding calendar year, excluding pro rata distributions of any class of the insurance company's own securities
- 4 & 5. Within the limitations of 13(3.) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to its shareholder. No dividends were paid by Independence Life during 2008 or 2007.
6. There were no restrictions placed on the Company's surplus and all surplus is held for the benefit of the stockholder.
7. There were no advances to surplus.
8. The Company held no stock for special purposes at December 31, 2008.
9. The Company did not have any special surplus funds during the statement year.
10. The portion of unassigned funds (surplus) represented or reduced by:
 

(1) Unrealized gains and (losses) excluding deferred tax	\$ (31,150)
--	-------------
11. The Company does not have any surplus notes.
12. The Company did not participate in any quasi reorganization during the statement year.
13. The Company has not participated in any quasi reorganization in the past 10 years.

**NOTES TO FINANCIAL STATEMENTS**

**Note 14: Contingencies**

A. Contingent Commitments

The Company has no material contingent liabilities as of December 31, 2008.

B. Assessments

There were no assessments that could have a material financial effect on the financial condition of the Company at December 31, 2008.

C. Gain Contingencies

The Company does not have any gain contingencies.

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

None

E. All Other Contingencies

The Company is not aware of any contingent liabilities or impairment of assets arising from litigation, income taxes and other matters beyond the ordinary course of business that could have a material effect upon the financial condition of the Company.

**Note 15: Leases**

A. Lessee Leasing Arrangements

(1)

a,b,c. The Company leases a facility and equipment under a non-cancelable operating lease agreement that expires on June 30, 2009. Total rental expense, including allocated amounts, was approximately \$17,500 and \$13,200 for the years ended December 31, 2008 and 2007, respectively.

d. None

(2)

a. At January 1, 2009, the minimum aggregate rental commitments are as follows:

Year Ending December 31,	
2009	\$ 3,510
2010	0
2011	0
2012	0
2013	0
	<u>0</u>
	\$ 3,510

b. The Company has no outstanding sublease agreements.

(3) The Company is not involved in any material sale-leaseback transactions.

B. Lessor Leasing Arrangements

The Company did not participate in any lessor leasing arrangements.

**Note 16: Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

The Company does not hold any financial instruments with off balance sheet risk or financial instruments with concentration of credit risk.

**Note 17: Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

A. Transfers of Receivables reported as Sales

The Company did not have any transfers of receivables reported as sales during the statement year.

B. Transfer and Servicing of Financial Assets

The Company did not participate in the transfer and servicing of financial assets during the statement year.

C. Wash Sales

The Company did not incur any wash sales during the statement year.

## NOTES TO FINANCIAL STATEMENTS

**Note 18: Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

The Company did not have any uninsured plans during the statement year.

**Note 19: Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

The Company did not have any direct written premium generated through managing general agents/third party administrators during the statement year.

**Note 20: Other Items**

A. Extraordinary Items

The Company did not have any extraordinary items to disclose during the statement year.

B. Troubled Debt Restructuring: Debtors

None

C. Other Disclosures

Bonds with a book/adjusted carrying value of approximately \$ 7,277,443 and \$6,832,795 at December 31, 2008 and 2007, respectively, were on deposit with governmental authorities as required by law.

The amounts in this statement pertain to the entire Company's business including, as appropriate, its separate account business.

D. The Company does not have uncollectible premium, agents balances or other receivables.

E. Business Interruption Insurance Recoveries

The Company did not receive any business interruption insurance recoveries during the statement year.

F. State Transferable Tax Credits

The Company does not have any state transferable tax credits.

G. Hybrid Securities

Cusip	Description	Book / Adjusted Carrying Value
42205MAB2	Hbos Plc Basic Preferred stock	\$ 500,000
04622DAA9	Assured Guaranty Us Hldg Basic Preferred stock	499,025
93934WAA3	Wash Mutual Pfd Fdg Del Basic Preferred stock	50

H. Sub-prime Mortgage Related Risk Exposure

As of 12/31/08 the Company has no direct or indirect exposure to residential sub-prime mortgages.

I. Federal Home Loan Bank Agreements

None.

**Note 21: Events Subsequent**

The Company did not have any subsequent events to report during the statement year.

**Note 22: Reinsurance**

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, 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?  
 Yes ( ) No ( X )

If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that 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?  
 Yes ( ) No ( X )

## NOTES TO FINANCIAL STATEMENTS

If yes, give full details.

### Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?  
 Yes ( ) No ( X )
- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. Not applicable
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement?  
 Not applicable
- (2) Does the company have any 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?  
 Yes ( ) No ( X )

If yes, give full details.

### Section 3 – Ceded Reinsurance Report – Part B

- (1) What is 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? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- (2) Have any new agreements been executed or existing agreements amended, 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?  
 Yes ( ) No ( X )

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments?

- B. Uncollectible Reinsurance  
 None
- C. Commutation of Ceded Reinsurance  
 None

**Note 23: Retrospectively Rated Contracts & Contracts Subject to Redetermination**

Not applicable

**Note 24: Change in Incurred Losses and Loss Adjustment Expenses**

Not applicable

**Note 25: Inter-company Pooling Arrangements**

The Company did not participate in any inter-company pooling arrangements during the statement year.

**Note 26: Structured Settlements**

The Company does not have any structured settlements.

**NOTES TO FINANCIAL STATEMENTS**

**Note 27: Health Care Receivables**

- A. Pharmaceutical Rebate Receivables  
Not applicable
- B. Risk Sharing Receivables  
Not applicable

**Note 28: Participating Policies**

The Company does not have participating policies.

**Note 29: Premium Deficiency Reserves**

Not applicable

**Note 30: Reserves for Life Contracts and Deposit-Type Contracts**

1. The Company does not have in-force any recurring premium life insurance business. Surrender values are not promised in excess of reserves as legally computed.
2. The Company does not have any substandard policies.
3. Not applicable
4. The Tabular Interest has been determined from basic policy data for reserving.  
  
The Tabular less Actual Reserve Released has been determined by formula as described in the instructions.  
  
The Tabular Cost has been determined from basic policy data for reserving.
5. The Company does not hold any life or annuity contract reserves not involving life contingencies.
6. The Company had no other reserve changes other than normal updates of reserves.

**Note 31: Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics**

	(1) Amount	(2) % of Total
A. Subject to discretionary withdrawal:		
(1) With market value adjustment	\$ 0	0.000%
(2) At book value less current surrender charge of 5% or more	0	0.000%
(3) At fair value	0	0.000%
(4) Total with adjustment or at market value		
(Total of (1) - (3))	0	0.000%
(5) At book value without adjustment (minimal or no charge or adjustment)	264,492	41.116%
B. Not subject to discretionary withdrawal	378,786	58.884%
C. Total (Gross: Direct +Assumed)	643,278	100.000%
D. Reinsurance ceded	0	
E. Total (net)* (C) – (D)	\$ 643,278	

**NOTES TO FINANCIAL STATEMENTS**

\*Reconciliation of total annuity actuarial reserves and deposit fund liabilities:

F.	Life & Accident & Health Annual Statement:	Amount
(1)	Exhibit 5, Annuities Section, Total (net)	\$ 264,492
(2)	Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	378,786
(3)	Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	0
(4)	Subtotal	643,278
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	0
(11)	Subtotal	0
(12)	Combined Total	\$ <u>643,278</u>

**Note 32: Premium and Annuity Considerations Deferred and Uncollected**

The Company did not have any premium and annuity considerations that were deferred and uncollected.

**NOTES TO FINANCIAL STATEMENTS**

**Note 33: Separate Accounts**

A. General Nature and Characteristics of Separate Accounts Business:

The Company maintains a closed block of variable life insurance business. Information regarding the separate accounts of the Company is as follows:

	(1)	(2)	(3)	(4)	(5)
		Nonindexed Guarantee Less	Nonindexed Guarantee	Nonguaranteed Separate	
	<u>Indexed</u>	<u>than/equal to 4%</u>	<u>More than 4%</u>	<u>Accounts</u>	<u>Total</u>
(1) Premiums, considerations or deposits for year ended 12/31/08	\$ 0	0	\$ 0	\$ 0	\$ 0
Reserves at 12/31/08					
(2) For accounts with assets at:					
a. Fair Value	0	0	0	43,920,412	43,920,412
b. Amortized Cost	0	0	0	0	0
c. Total Reserves	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 43,920,412</u>	<u>\$ 43,920,412</u>
(3) By withdrawal characteristics					
a. Subject to discretionary withdrawal:	\$ 0	0	\$ 0	\$ 0	\$ 0
b. With MV adjustment	0	0	0	0	0
c. At book value without MV adjustment and with Current surrender charge of 5% or more	0	0	0	0	0
d. At fair value	0	0	0	43,920,412	43,920,412
e. At book value without MV adjustment and with Current surrender charge less than 5%	0		0	0	0
f. Subtotal	0	0	0	43,920,412	43,920,412
g. Not subject to Discretionary withdrawal	0	0	0	0	0
h. Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 43,920,412</u>	<u>\$ 43,920,412</u>
(4) Reserves for Asset Default Risk in Lieu of AVR	Not applicable				

B. Reconciliation of Net Transfers To or (From) Separate Accounts

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement:	
a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$ 0
b. Transfers from Separate Accounts (Page 4, Line 10)	\$ 10,192,727
c. Net transfers to or (from) Separate Accounts	10,192,727
(2) Reconciling adjustments:	2,600
(3) Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement (Page 4, Line 26)	\$ (10,195,327)

**Note 34: Loss/Claim Adjustment Expenses**

Not applicable

# 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 [  ] 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 [  ] No [  ] NA [  ]
- 1.3 State Regulating? ..... Rhode Island.....
- 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 [  ]
- 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. ....12/31/2007
- 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. ....12/31/2007
- 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). ....01/09/2009
- 3.4 By what department or departments? State of Rhode Island and Providence Plantations Department of Business Regulation Insurance Division.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? ..... Yes [  ] No [  ] NA [  ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [  ] No [  ] NA [  ]
- 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 [  ] No [  ]
  - 4.12 renewals? ..... Yes [  ] No [  ]
- 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 [  ]
  - 4.22 renewals? ..... Yes [  ] No [  ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [  ] No [  ]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [  ] No [  ]
- 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 [  ] 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, government, manager or attorney - in - fact).

1 Nationality	2 Type of Entity
Canada.....	Corporation.....

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ X ] No [ ]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
Massachusetts Financial Services Company.....	Boston, MA.....					Yes.....
MFS Institutional Advisers, Inc.....	Boston, MA.....					Yes.....
MFS Service Center, Inc.....	Boston, MA.....					Yes.....
MFS Heritage Trust Company.....	Boston, MA.....					Yes.....
Sun Life Financial Distributors, Inc.....	Wellesley Hills, MA.....					Yes.....
Clarendon Insurance Agency, Inc.....	Wellesley Hills, MA.....					Yes.....
Sun Capital Advisers, LLC.....	Wellesley Hills, MA.....					Yes.....

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche LLP, 200 Berkeley Street, Boston, MA
- 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?.....  
Steven Schoen, FSA, MAAA, One Sun Life Executive Park, Wellesley Hills, MA - Vice President Financial Actuarial
- 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.....
  - 11.13 Total book/adjusted carrying value..... \$.....
- 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?
- 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 [ ] NA [ ]
- 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 or is likely to conflict with the official duties of such person?..... Yes [ X ] No [ ]

# 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 .. \$ .....
  - 18.12 To stockholders not officers ... \$ .....
  - 18.13 Trustees, supreme or grand (Fraternal only) ..... \$ .....
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers ... \$ .....
  - 18.22 To stockholders not officers .... \$ .....
  - 18.23 Trustees, supreme or grand (Fraternal only) ..... \$ .....
- 19.1 Were any assets reported in the 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 ..... \$ .....
  - 19.22 Borrowed from others ..... \$ .....
  - 19.23 Leased from others ..... \$ .....
  - 19.24 Other ..... \$ .....
- 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 ..... \$ .....
  - 20.22 Amount paid as expenses ..... \$ .....
  - 20.23 Other amounts paid ..... \$ .....
- 21.1 Does the reporting entity report any amounts due from the 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: ..... \$ .....

## 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? (other than securities lending programs addressed in 22.3)..... Yes [ X ] No [ ]
- 22.2 If no, give full and complete information relating thereto:
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provide)  
Not applicable
- 22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?..... Yes [ ] No [ ]
- 22.5 If answer to 22.4 is YES, report amount of collateral ..... \$ .....
- 22.6 If answer to 22.4 is NO, report amount of collateral..... \$ .....
- 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 and 22.3) ..... Yes [ X ] No [ ]
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements ..... \$ .....
  - 23.22 Subject to reverse repurchase agreements..... \$ .....
  - 23.23 Subject to dollar repurchase agreements..... \$ .....
  - 23.24 Subject to reverse dollar repurchase agreements.... \$ .....
  - 23.25 Pledged as collateral..... \$ .....
  - 23.26 Placed under option agreements..... \$ .....
  - 23.27 Letter stock or securities restricted as to sale..... \$ .....
  - 23.28 On deposit with state or other regulatory body ..... \$ ..... 7,277,443
  - 23.29 Other..... \$ .....
- 23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 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 [ ] NA [ X ]  
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. .... \$ .....

## GENERAL INTERROGATORIES

26. Excluding items in Schedule E-Part 3-Special Deposits, 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, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [  ] No [  ]

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

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon.....	Global Securities Services, Client Service Division, 135 Santilli Highway, Everett, MA 02149....

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 Name(s)	2 Location(s)	2 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 [  ]

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

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

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

1 Central Registration Depository Number(s)	2 Name	2 Address
109684.....	Sun Capital Advisers, Inc.....	One Sun Life Executive Park, Wellesley Hills, MA 02481.....

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 [  ]

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	.....	.....
.....	.....	.....
27.2999 TOTAL		0

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

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

## 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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
28.1 Bonds.....	58,076,094	52,107,547	(5,968,547)
28.2 Preferred stocks.....	999,075	268,910	(730,165)
28.3 Totals	59,075,169	52,376,457	(6,698,712)

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

Public bond and preferred stock market values are received from independent sources including Hubdata, Bloomberg, dealer quotes, and outside brokers. Private placements are priced using a discounted cash flow model. ....

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?.....\$ .....

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 Name	2 Amount Paid
.....	.....
.....	.....
.....	.....

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

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 Name	2 Amount Paid
.....	.....
.....	.....
.....	.....

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

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 Name	2 Amount Paid
.....	.....
.....	.....
.....	.....

# 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		2
	Current Year		Prior Year
2.1 Premium Numerator	\$ .....0		\$ .....0
2.2 Premium Denominator	\$ .....(780,015)		\$ .....(758,171)
2.3 Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4 Reserve Numerator	\$ .....0		\$ .....0
2.5 Reserve Denominator	\$ .....33,381,900		\$ .....35,514,725
2.6 Reserve Ratio (2.4/2.5)	.....0.000		.....0.000

- 3.1 Does this reporting entity have Separate Accounts? ..... Yes [ X ] No [ ]
- 3.2 If yes, has a Separate Accounts statement been filed with this Department? ..... Yes [ X ] No [ ] NA [ ]
- 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:.....  
Rhode Island General Laws Sec 27-32-1
- 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)?..... \$ .....
- 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: ..... \$ .....384,406
- 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 items is included in:
- 5.21 Page 3, Line 1 ..... \$ .....
- 5.22 Page 4, Line 1 ..... \$ .....
6. For stock reporting entities only:
- 6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: ..... \$ .....22,678,309
7. Total dividends paid stockholders since organization of the reporting entity:
- 7.11 Cash: ..... \$ .....7,168,000
- 7.12 Stock: ..... \$ .....4,095,772

## 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 [ X ]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

		1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31	Earned premium.....			
8.32	Paid claims.....			
8.33	Claim liability and reserve (beginning of year).....			
8.34	Claim liability and reserve (end of year).....			
8.35	Incurred Claims.....			

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column 1 are:

	Attachment Point	1 Earned Premium	2 Claim Liability And Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 – 99,999	.....	.....
8.43	\$100,000 – 249,999	.....	.....
8.44	\$250,000 – 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? ..... \$.....

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

**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 2008	2 2007	3 2006	4 2005	5 2004
<b>Life Insurance in Force</b>					
(Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4)	155,655	190,796	212,924	217,805	229,955
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	0	0	0	0	0
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)	0	0	0	0	0
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)	155,655	190,796	212,924	217,805	229,955
<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)	0	0	0	0	0
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	0	0	0	0	0
<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)	(780,015)	(758,171)	(864,038)	(871,343)	(888,988)
15.2 Ordinary individual annuities (Line 20.4, Col. 4)	0	0	0	0	0
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)	0	0	0	0	0
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	(780,015)	(758,171)	(864,038)	(871,343)	(888,988)
<b>Balance Sheet</b>					
(Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3)	86,990,809	90,556,853	99,201,122	96,755,363	95,262,860
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	34,281,742	37,306,173	47,943,194	48,015,538	49,512,011
23. Aggregate life reserves (Page 3, Line 1)	34,308,440	36,851,362	47,349,316	47,173,250	49,198,215
24. Aggregate A & H reserves (Page 3, Line 2)	0	0	0	0	0
25. Deposit-type contract funds (Page 3, Line 3)	0	0	14,625	39,626	65,171
26. Asset valuation reserve (Page 3, Line 24.1)	0	113,211	333,378	224,669	168,456
27. Capital (Page 3, Lines 29 & 30)	2,541,722	2,541,722	2,541,722	2,541,722	2,541,722
28. Surplus (Page 3, Line 37)	50,167,345	50,708,958	48,716,206	46,198,103	43,209,127
29. Net cash from operations (Line 11)	(235,125)	(7,852,091)	2,633,097	1,470,914	6,628,622
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital	52,709,067	53,363,891	51,591,306	48,964,494	45,919,305
31. Authorized control level risk - based capital	624,570	633,832	629,800	511,709	556,151
<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)	65.4	64.2	54.5	57.1	56.8
33. Stocks (Lines 2.1 and 2.2)	1.2	1.7	0.5	0.0	0.0
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)	4.2	4.4	6.4	3.0	1.4
37. Contract loans (Line 6)	29.1	29.7	38.6	39.9	41.8
38. Other invested assets (Line 7)	0.0	0.0	0.0	0.0	0.0
39. Receivables for securities (Line 8)	0.1	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

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2008	2 2007	3 2006	4 2005	5 2004
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D Summary, Line 53, Col. 1)	0	0	0	0	0
45. Affiliated short-term investments (subtotal included in Schedule DA, Verification, Col. 5, Line 10)	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	0	0	0	0	0
<b>Total Nonadmitted and Admitted Assets</b>					
49. Total nonadmitted assets (Page 2, Line 26, Col. 2)	2,336,163	1,326,922	1,419,093	1,655,585	1,913,501
50. Total admitted assets (Page 2, Line 26, Col. 3)	131,606,779	162,386,640	171,919,732	171,889,854	172,037,977
<b>Investment Data</b>					
51. Net investment income (Exhibit of Net Investment Income)	4,618,397	4,616,684	4,790,886	4,287,239	3,982,864
52. Realized capital gains (losses)	19,664	263,371	(36,176)	68,719	29,057
53. Unrealized capital gains (losses)	(31,150)	3,360	(3,360)	0	0
54. Total of above Lines 51, 52 and 53	4,606,911	4,883,415	4,751,350	4,355,958	4,011,921
<b>Benefits and Reserve Increase (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)	14,613,430	18,998,956	9,140,666	6,509,538	7,353,039
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 & 3)	(2,543,204)	(10,441,198)	267,158	(2,029,428)	2,784,585
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)	0	0	0	0	0
<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 100.00	(35.5)	(36.4)	(32.4)	(29.3)	(34.0)
61. Lapse percent (ordinary only). [(Exhibit of Life Insurance, Column 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Column 4, Lines 1 & 21)] x 100.00	7.9	12.2	2.9	4.5	4.4
62. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	0.0	0.0	0.0	0.0	0.0
63. A & H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)	0.0	0.0	0.0	0.0	0.0
64. A & H expense percent excluding cost containment expenses (Schedule H, Part 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 (Sch. H, Part 3, Line 3.2 Col. 2)	0	0	0	0	0
67. Incurred losses on prior years' claims-health other than group (Sch. 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 (Sch. 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)	2,765,801	2,262,403	2,573,513	2,926,758	3,216,055
71. Ordinary - individual annuities (Col. 4)	21,130	19,810	38,069	6,085	17,438
72. Ordinary-supplementary contracts (Col. 5)	21,251	18,162	13,174	8,463	61,692
73. Credit life (Col. 6)	0	0	0	0	0
74. Group life (Col. 7)	0	0	0	0	0
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	0	0	0
80. Total (Col. 1)	2,808,182	2,300,375	2,624,756	2,941,306	3,295,185

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**EXHIBIT OF LIFE INSURANCE**

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7 Policies	8 Certificates	Amount of Insurance (a)	
1. In force end of prior year	0	0	1,079	190,796	0	0	0	0	0	190,796
2. Issued during year	0	0	0	0	0	0	0	0	0	0
3. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4. Revived during year	0	0	0	0	0	0	0	0	0	0
5. Increased during year (net)	0	0	0	0	0	0	0	0	0	0
6. Subtotals, Lines 2 to 5	0	0	0	0	0	0	0	0	0	0
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	1,079	190,796	0	0	0	0	0	190,796
Deductions during year:										
10. Death	0	0	26	8,800	0	0	XXX	0	0	8,800
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	0	0	0
14. Surrender	0	0	38	13,730	0	0	0	0	0	13,730
15. Lapse	0	0	0	0	0	0	0	0	0	0
16. Conversion	0	0	0	0	0	0	XXX	XXX	XXX	0
17. Decreased (net)	0	0	0	12,611	0	0	0	0	0	12,611
18. Reinsurance	0	0	0	0	0	0	0	0	0	0
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19)	0	0	64	35,141	0	0	0	0	0	35,141
21. In force end of year, (Line 9 minus Line 20)	0	0	1,015	155,655	0	0	0	0	0	155,655
22. Reinsurance ceded end of year	XXX	0	XXX	56,924	XXX	0	XXX	XXX	0	56,924
23. Line 21 minus Line 22	XXX	0	XXX	98,731	XXX	<sup>(b)</sup> 0	XXX	XXX	0	98,731
<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 through 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 through 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 \$ .....; Individual \$ .....

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**EXHIBIT OF LIFE INSURANCE (Continued)**

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

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends .....			XXX	
25. Other paid-up insurance .....				
26. Debit ordinary insurance .....	XXX	XXX		

**ADDITIONAL INFORMATION ON ORDINARY INSURANCE**

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 2)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies - decreasing .....				
28. Term policies - other .....				
29. Other term insurance - decreasing .....	XXX		XXX	
30. Other term insurance .....	XXX		XXX	
31. Totals (Lines 27 to 30) .....	0	0	0	0
Reconciliation to Lines 2 and 21:				
32. Term additions .....	XXX		XXX	
33. Totals, extended term insurance .....	XXX	XXX		
34. Totals, whole life and endowment .....			1,015	155,655
35. Total (Lines 31 to 34) .....	0	0	1,015	155,655

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

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 2)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial .....				
37. Ordinary .....			155,655	
38. Credit Life (Group and Individual) .....				
39. Group .....				
40. Totals (Lines 36 to 39) .....	0	0	155,655	0

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

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies .....	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis .....		XXX		XXX
43. Federal Employees' Group Life Insurance included in Line 21 .....				
44. Servicemen's Group Life Insurance included in Line 21 .....				
45. Group Permanent Insurance included in Line 21 .....				

**ADDITIONAL ACCIDENTAL DEATH BENEFITS**

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

**BASIS OF CALCULATION OF DECREASING TERM INSURANCE**

47. State basis of calculation of (47.1) decreasing term insurance combined with 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 .....	
47.2 .....	

**POLICIES WITH DISABILITY PROVISIONS**

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium .....								
49. Disability Income .....								
50. Extended Benefits .....			XXX	XXX				
51. Other .....								
52. Total .....	0 <sup>(b)</sup>	0	0 <sup>(b)</sup>	0	0 <sup>(b)</sup>	0	0 <sup>(b)</sup>	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.

**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 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year .....	3	0	0	0
2. Issued during year .....				
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. Totals (Lines 1 to 4) .....	3	0	0	0
Deductions during year:				
6. Decreased (net) .....				
7. Reinsurance ceded .....				
8. Totals (Lines 6 and 7) .....	0	0	0	0
9. In force end of year .....	3	0	0	0
10. Amount on deposit .....		(a)		(a)
11. Income now payable .....				
12. Amount of income payable .....	(a) 34,225	(a)	(a)	(a)

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year .....	0	11	0	0
2. Issued during year .....				
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. Totals (Lines 1 to 4) .....	0	11	0	0
Deductions during year:				
6. Decreased (net) .....				
7. Reinsurance ceded .....				
8. Totals (Lines 6 and 7) .....	0	0	0	0
9. In force end of year .....	0	11	0	0
Income now payable:				
10. Amount of income payable .....	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance .....	XXX	(a) 264,492	XXX	(a)
Deferred not fully paid:				
12. Account balance .....	XXX	(a)	XXX	(a)

**ACCIDENT AND HEALTH INSURANCE**

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year .....		0		0		0
2. Issued during year .....						
3. Reinsurance assumed .....						
4. Increased during year (net) .....		XXX		XXX		XXX
5. Totals (Lines 1 to 4) .....	0	XXX	0	XXX	0	XXX
Deductions during year:						
6. Conversions .....		XXX	XXX	XXX	XXX	XXX
7. Decreased (net) .....		XXX		XXX		XXX
8. Reinsurance ceded .....		XXX		XXX		XXX
9. Total (Lines 6 to 8) .....	0	XXX	0	XXX	0	XXX
10. In force end of year .....	0	(a)	0	(a)	0	(a)

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year .....	0	0
2. Issued during year .....		
3. Reinsurance assumed .....		
4. Increased during year (net) .....		
5. Totals (Lines 1 to 4) .....	0	0
Deductions during year:		
6. Decreased (net) .....		
7. Reinsurance ceded .....		
8. Totals (Lines 6 and 7) .....	0	0
9. In force end of year .....	0	0
10. Amount of account balance .....	(a)	(a)

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

**SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS**

Allocated by States and Territories

States, Etc.	1	Direct Business Only						
		Life Contracts		4	5	6	7	
		2	3					Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees
Active Status	Life Insurance Premiums	Annuity Considerations						
1. Alabama	AL	L	0	0	0	0	0	0
2. Alaska	AK	L	0	0	0	0	0	0
3. Arizona	AZ	L	0	0	0	0	0	0
4. Arkansas	AR	L	0	0	0	0	0	0
5. California	CA	L	0	0	0	0	0	0
6. Colorado	CO	L	0	0	0	0	0	0
7. Connecticut	CT	L	0	0	0	0	0	0
8. Delaware	DE	L	0	0	0	0	0	0
9. District of Columbia	DC	L	0	0	0	0	0	0
10. Florida	FL	L	0	0	0	0	0	0
11. Georgia	GA	L	0	0	0	0	0	0
12. Hawaii	HI	L	0	0	0	0	0	0
13. Idaho	ID	L	0	0	0	0	0	0
14. Illinois	IL	L	0	0	0	0	0	0
15. Indiana	IN	L	0	0	0	0	0	0
16. Iowa	IA	L	0	0	0	0	0	0
17. Kansas	KS	L	0	0	0	0	0	0
18. Kentucky	KY	L	0	0	0	0	0	0
19. Louisiana	LA	L	0	0	0	0	0	0
20. Maine	ME	L	0	0	0	0	0	0
21. Maryland	MD	L	0	0	0	0	0	0
22. Massachusetts	MA	L	0	0	0	0	0	0
23. Michigan	MI	L	0	0	0	0	0	0
24. Minnesota	MN	L	0	0	0	0	0	0
25. Mississippi	MS	L	0	0	0	0	0	0
26. Missouri	MO	L	0	0	0	0	0	0
27. Montana	MT	L	0	0	0	0	0	0
28. Nebraska	NE	L	0	0	0	0	0	0
29. Nevada	NV	L	0	0	0	0	0	0
30. New Hampshire	NH	L	0	0	0	0	0	0
31. New Jersey	NJ	L	0	0	0	0	0	0
32. New Mexico	NM	L	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0
34. North Carolina	NC	L	0	0	0	0	0	0
35. North Dakota	ND	L	0	0	0	0	0	0
36. Ohio	OH	L	0	0	0	0	0	0
37. Oklahoma	OK	L	0	0	0	0	0	0
38. Oregon	OR	L	0	0	0	0	0	0
39. Pennsylvania	PA	L	0	0	0	0	0	0
40. Rhode Island	RI	L	0	0	0	0	0	0
41. South Carolina	SC	L	0	0	0	0	0	0
42. South Dakota	SD	L	0	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0	0
44. Texas	TX	L	0	0	0	0	0	0
45. Utah	UT	L	0	0	0	0	0	0
46. Vermont	VT	L	0	0	0	0	0	0
47. Virginia	VA	L	0	0	0	0	0	0
48. Washington	WA	L	0	0	0	0	0	0
49. West Virginia	WV	L	0	0	0	0	0	0
50. Wisconsin	WI	L	0	0	0	0	0	0
51. Wyoming	WY	L	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. US Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Subtotal	(a)	50	0	0	0	0	0	0
90. Reporting entity contributions for employee benefits plans	XXX						0	
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX						0	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX						0	
93. Premium or annuity considerations waived under disability or other contract provisions	XXX						0	
94. Aggregate of other amounts not allocable by State	XXX		0	0	0	0	0	0
95. Totals (Direct Business)	XXX		0	0	0	0	0	0
96. Plus Reinsurance Assumed	XXX						0	
97. Totals (All Business)	XXX		0	0	0	0	0	0
98. Less Reinsurance Ceded	XXX		780,015				780,015	
99. Totals (All Business) less Reinsurance Ceded	XXX		(780,015)	0	(b)	0	(780,015)	0
<b>DETAILS OF WRITE-INS</b>								
5801.	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

(a) Insert the number of L 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 and 10, or with Schedule H, Part 1, Line 1, indicate which.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP****PART 1 - ORGANIZATIONAL CHART****Sun Life Financial Inc. – List of Subsidiaries**

Schedule Y as of December 31, 2008

Federal ID#	Name of Subsidiary Company of Sun Life Financial Inc.	% of Voting Shares	Insurer / Non-Insurer
	Sun Life Financial Inc. – Operations in the United States		
20-8998687	SL Finance 2007-1, Inc.	100%	Non-Insurer
20-4688437	Sun Life Financial Global Funding II, L.P.	99%	Non-Insurer
	Sun Life Financial Global Funding II, U.L.C.	100%	Non-Insurer
	Sun Life Financial Global Funding II, L.L.C.	100%	Non-Insurer
20-5376334	Sun Life Financial Global Funding III, L.P.	99%	Non-Insurer
	Sun Life Financial Global Funding III, U.L.C.	100%	Non-Insurer
	Sun Life Financial Global Funding III, L.L.C.	100%	Non-Insurer
	Sun Life Financial Inc. – Operations in Foreign Countries		
	2097261 Ontario Inc.	100%	Non-Insurer
20-4688437	Sun Life Financial Global Funding II, L.P.	1%	Non-Insurer
	2109578 Ontario Inc.	100%	Non-Insurer
20-5376334	Sun Life Financial Global Funding III, L.P.	1%	Non-Insurer
	6183271 Canada Inc.	100%	Non-Insurer
	Sun Life Financial (Chile) S.A.	99.999%	Non-Insurer
	6183298 Canada Inc.	100%	Non-Insurer
	Sun Life Financial (Chile) S.A.	0.001%	Non-Insurer
	6324983 Canada Inc.	100%	Non-Insurer
	6560016 Canada Inc.	0.05%	Non-Insurer
	6828141 Canada Inc.	100%	Non-Insurer
	6884644 Canada Inc.	100%	Non-Insurer
	Sun Life (Barbados) Holdings No. 1 Limited	100%	Non-Insurer
	Sun Life (Barbados) Holdings No. 2 Limited	100%	Non-Insurer
	Sun Life (Barbados) Holdings No. 3 Limited	100%	Non-Insurer
	Sun Life (Barbados) Holdings No. 4 Limited	100%	Non-Insurer
	Sun Life (Poland) Group Financing sp. z.o.o.	100%	Non-Insurer
	Sun Life 2007-1 Financing Corp.	100%	Non-Insurer
	Sun Life Financial Reinsurance (Barbados) Limited	100%	Insurer

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

Federal ID#	Name of Subsidiary Company of Sun Life Financial Inc.	% of Voting Shares	Insurer / Non-Insurer
	Sun Life Reinsurance (Barbados) No. 4 Corp.	100%	Insurer
	Sun Life Global Investments Inc. – Operations in the United States	100%	Non-Insurer
04-3401283	Sun Life Assurance Company of Canada - U.S. Operations Holdings, Inc.	100%	Non-Insurer
	SL Investment 2007-1 ULC	100%	Non-Insurer
	SL Investment Holdings 2007-1 LLC	100%	Non-Insurer
04-3132283	Sun Capital Advisers LLC	100%	Non-Insurer
04-3526207	Sun Life Financial (Japan), Inc.	100%	Non-Insurer
04-3579262	Sun Life Financial (U.S.) Holdings, Inc.	100%	Non-Insurer
	Sun Life Financial (U.S.) Investments LLC	100%	Non-Insurer
04-3401285	Sun Life of Canada (U.S.) Financial Services Holdings, Inc.	99.74%	Non-Insurer
04-2747644	Massachusetts Financial Services Company	96.65%	Non-Insurer
26-0718714	Four Pillars Capital, Inc.	100%	Non-Insurer
	MFS Development Funds, LLC	100%	Non-Insurer
04-3169826	MFS Fund Distributors, Inc.	100%	Non-Insurer
02-0507414	MFS Heritage Trust Company	100%	Non-Insurer
04-3247425	MFS Institutional Advisors, Inc.	100%	Non-Insurer
	MFS Institutional Advisors (Australia) Pty. Ltd.	100%	Non-Insurer
	MFS International Ltd.	100%	Non-Insurer
	MFS do Brasil Desenvolvimento de Mercado Ltda.	100%	Non-Insurer
	MFS International (U.K.) Ltd.	100%	Non-Insurer
	MFS Investment Management Company (LUX) S.A.	100%	Non-Insurer
	MFS Investment Management K.K.	100%	Non-Insurer
04-2864897	MFS Service Center, Inc.	100%	Non-Insurer
04-3365782	Sun Life of Canada (U.S.) Holdings, Inc.	100%	Non-Insurer
06-1502012	Dental Holdings, Inc.	100%	Non-Insurer
33-0475116	California Benefits Dental Plan	100%	Non-Insurer
59-0411385 68047 TX	Professional Insurance Company	100%	Insurer
04-3292937	Sun Canada Financial Co.	100%	Non-Insurer
06-1435452	Sun Life Administrators (U.S.), Inc.	100%	Non-Insurer
04-2461439 79065 DE	Sun Life Assurance Company of Canada (U.S.)	100%	Insurer

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

Federal ID#	Name of Subsidiary Company of Sun Life Financial Inc.	% of Voting Shares	Insurer / Non-Insurer
	7101 France Avenue Manager, LLC	100%	Non-Insurer
	7101 France Avenue, LLC	100%	Non-Insurer
04-2476246	Clarendon Insurance Agency, Inc.	100%	Non-Insurer
61-0403075 64602 RI	Independence Life and Annuity Company	100%	Insurer
	SLF Private Placement Investment Company I, LLC	100%	Non-Insurer
04-2845273 72664 NY	Sun Life Insurance and Annuity Company of New York	100%	Insurer
	SLNY Private Placement Investment Company I, LLC	100%	Non-Insurer
26-1292779 13051 VT	Sun Life Financial (U.S.) Reinsurance Company	100%	Insurer
	Sun MetroNorth, LLC	100%	Non-Insurer
	Sun Parkaire Landing LLC	100%	Non-Insurer
04-3574531	Sun Life Financial (U.S.) Finance, Inc.	100%	Non-Insurer
04-2470476	Sun Life Financial Distributors, Inc.	100%	Non-Insurer
	Sun Life Reinsurance (Barbados) No. 3 Corp.	100%	Insurer
	Sun Life Global Investments Inc. – Operations in Foreign Countries	100%	Non-Insurer
	3060097 Nova Scotia Company	100%	Non-Insurer
	McLean Budden Limited	63.6%	Non-Insurer
	McLean Budden Funds Inc.	100%	Non-Insurer
38-1082080 80802 (CN)	Sun Life Assurance Company of Canada (including the United States Branch) – Operations in the United States	100%	Insurer
	Crosspointe Shops II LLC	100%	Non-Insurer
	Crosspointe Shops I LLC	100%	Non-Insurer
	Plaza West LLC	100%	Non-Insurer
	SL Investment Holdings 2008-1, LLC	100%	Non-Insurer
	SL Investment PAR Holdings 2008-1, LLC	100%	Non-Insurer
	Sun Broad Street Inline Shops Member, LLC	100%	Non-Insurer
	Sun Broad Street Inline Shops, LLC	100%	Non-Insurer
	Sun Broad Street Outparcel Shops, LLC	100%	Non-Insurer
	Sun Commerce Center, LLC	100%	Non-Insurer
	Sun Encore, LLC	100%	Non-Insurer

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART

Federal ID#	Name of Subsidiary Company of Sun Life Financial Inc.	% of Voting Shares	Insurer / Non-Insurer
	Sun Grand Parkway GP, LLC	100%	Non-Insurer
	Sun Grand Parkway, L.P.	1%	Non-Insurer
	Sun Grand Parkway, L.P.	99%	Non-Insurer
	Sun Greenfield, LLC	100%	Non-Insurer
	Sun Highlands Plaza, LLC	100%	Non-Insurer
	Sun Lakewood GP, LLC	100%	Non-Insurer
	Sun Lakewood, L.P.	1%	Non-Insurer
	Sun Lakewood, L.P.	99%	Non-Insurer
06-0893662 80926 CT	Sun Life and Health Insurance Company (U.S.)	100%	Insurer
04-3638553	Sun Life Financial (Bermuda) Holdings, Inc.	100%	Non-Insurer
52-2301409	Sun Life Financial Insurance and Annuity Company (Bermuda) Ltd.	100%	Insurer
20-1591914	Sun Life Financial Global Funding, L.P.	99%	Non-Insurer
	Sun Life Financial Global Funding, U.L.C.	100%	Non-Insurer
	Sun Life Financial Global Funding, L.L.C.	100%	Non-Insurer
	Sun Starlite, LLC	100%	Non-Insurer
	Sun Sunset Plaza, LLC	100%	Non-Insurer
38-1082080 80802 (CN)	Sun Life Assurance Company of Canada – Operations in Foreign Countries	100%	Insurer
	1245792 Ontario Inc.	100%	Non-Insurer
	2053812 Ontario Inc.	100%	Non-Insurer
20-1591914	Sun Life Financial Global Funding, L.P.	1%	Non-Insurer
	6560016 Canada Inc.	99.95%	Non-Insurer
	Sun Life Reinsurance (Barbados) No. 2 Corp.	100%	Insurer
	6965083 Canada Inc.	100%	Non-Insurer
	7037457 Canada Inc.	100%	Non-Insurer
	7073747 Canada Inc.	100%	Non-Insurer
	Amaulico Fund Ltd.	100%	Non-Insurer
	Amaulico Ltd.	100%	Non-Insurer
	BestServe Financial Limited	100%	Non-Insurer
	Sun Life Financial Asia Services Limited	100%	Non-Insurer
	Buffett & Company Worksite Wellness Inc.	36%	Non-Insurer
	CCPI Holdco Limited	70.7%	Non-Insurer

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

Federal ID#	Name of Subsidiary Company of Sun Life Financial Inc.	% of Voting Shares	Insurer / Non-Insurer
	Canadian China Property Investments Limited Partnership	20%	Non-Insurer
995169	Clarica MEEL Holdings Limited	100%	Non-Insurer
154014	Mississauga Executive Enterprises Ltd.	50%	Non-Insurer
289907-8	Clarica Trustco Inc.	100%	Non-Insurer
	Sun Life Financial Distributors (Canada) Inc.	50%	Non-Insurer
	Sun Life Financial Trust Inc.	100%	Non-Insurer
	Hillcrest IV Properties Inc.	100%	Non-Insurer
	Lease Administration Corporation	66.67%	Non-Insurer
	MCAP Service Corporation	40%	Non-Insurer
	P.T. Parahiyangan Griyanusa	100%	Non-Insurer
	P.T. Sun Life Financial Indonesia	4%	Insurer
	P.T. Sun Life Financial Indonesia	96%	Insurer
	PVS Preferred Vision Services Inc.	40%	Non-Insurer
	SECLON Inc.	30%	Non-Insurer
	seclonLogic Inc.	30%	Non-Insurer
	SLF of Canada UK Limited	100%	Non-Insurer
	Sun Life Financial of Canada UK Limited	100%	Non-Insurer
	Sun Life of Canada UK Holdings Limited	100%	Non-Insurer
	Confederation Life Insurance Company (U.K.) Limited	100%	Non-Insurer
	SLC Financial Services (U.K.) Limited	100%	Non-Insurer
	Sun Life Assurance Company of Canada (U.K.) Limited	100%	Insurer
	BHO Lease Company Limited	100%	Non-Insurer
	Sun Life Financial of Canada Trustee Limited	100%	Non-Insurer
	Sun Life of Canada Nominees Limited	100%	Non-Insurer
	Sun Life (Hungary) Group Financing Limited Liability Company	45.72%	Non-Insurer
	Sun Life (India) AMC Investments Inc.	100%	Non-Insurer
	Birla Sun Life Asset Management Company Limited	50%	Non-Insurer
	Birla Sun Life AMC (Mauritius) Limited	100%	Non-Insurer
	India Advantage Fund Limited	100%	Non-Insurer
	Birla Sun Life Trustee Company Private Limited	50%	Non-Insurer
	Sun Life (India) Distribution Investments Inc.	100%	Non-Insurer
	Birla Sun Life Distribution Company Limited	50.0001%	Non-Insurer
	BSDL Insurance Advisory Services Ltd.	100%	Non-Insurer

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

Federal ID#	Name of Subsidiary Company of Sun Life Financial Inc.	% of Voting Shares	Insurer / Non-Insurer
	Sun Life Assurance Company of Canada (Barbados) Limited	100%	Insurer
	Sun Life Capital Trust	100%	Non-Insurer
	Sun Life Everbright Life Insurance Company Limited	50%	Insurer
	Sun Life Financial (Hungary) Investments Inc.	100%	Non-Insurer
	Sun Life (Hungary) Group Financing Limited Liability Company	54.28%	Non-Insurer
	Sun Life Financial (India) Insurance Investments Inc.	100%	Non-Insurer
	Birla Sun Life Insurance Company Limited	26%	Insurer
	Sun Life Financial (Mauritius) Inc.	100%	Non-Insurer
	Sun Life India Service Centre Private Limited	100%	Non-Insurer
	Sun Life Financial Advisory Inc.	100%	Non-Insurer
	Sun Life Financial Distributors (Bermuda) Ltd.	100%	Non-Insurer
	Sun Life Financial Distributors (Canada) Inc.	50%	Non-Insurer
321232-7	Sun Life Financial Investment Services (Canada) Inc.	100%	Non-Insurer
	Sun Life Financial Investments (Bermuda) Ltd.	100%	Non-Insurer
	Sun Life Financial LTC Solutions Inc.	100%	Non-Insurer
	Sun Life Financial Realty Advisors Inc.	100%	Non-Insurer
	Sun Life Hong Kong Limited	100%	Insurer
	Sun Life Financial (Hong Kong) Limited	100%	Non-Insurer
	Sun Life Hong Kong Advisory Limited	100%	Non-Insurer
	Sun Life Trustee Company Limited	100%	Non-Insurer
	Sun Life Wealth Management Limited	100%	Non-Insurer
	Sun Life Information Services Canada, Inc.	100%	Non-Insurer
	Sun Life Information Services Ireland Limited	100%	Non-Insurer
	Sun Life Insurance (Canada) Limited	100%	Insurer
	SLI General Partner Limited	100%	Non-Insurer
	SLI Investments LP	0.1%	Non-Insurer
	SLI Investments LP	99.9%	Non-Insurer
	6425411 Canada Inc.	100%	Non-Insurer
	Sun Life Investments LLC	100%	Non-Insurer
	Sun Life Asset Management Inc.	100%	Non-Insurer
	Sun Life of Canada (Netherlands) B.V.	50%	Non-Insurer
	Sun Life Financial of Canada (U.K.) Overseas Investment Limited	100%	Non-Insurer
	Sun Life of Canada (Netherlands) B.V.	50%	Non-Insurer

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

Federal ID#	Name of Subsidiary Company of Sun Life Financial Inc.	% of Voting Shares	Insurer / Non-Insurer
	Sun Life of Canada (Philippines), Inc.	100%	Insurer
	MINT Financial & Insurance Agency Inc.	50%	Non-Insurer
	Sun Life Asset Management Company, Inc.	100%	Non-Insurer
	Sun Life Financial - Philippines Foundation, Inc.	100%	Non-Insurer
	Sun Life Financial Plans, Inc.	100%	Non-Insurer
	Sun Life of Canada Prosperity Balanced Fund, Inc.	25.02%	Non-Insurer
	Sun Life of Canada Prosperity Philippine Equity Fund, Inc.	25.08%	Non-Insurer
	Sun Life Prosperity Dollar Abundance Fund, Inc.	43.13%	Non-Insurer
	Sun Life Prosperity GS Fund, Inc.	81.68%	Non-Insurer
	Sun Life Prosperity Money Market Fund, Inc.	50.36%	Non-Insurer
	Sun Life of Canada International Assurance Limited	100%	Insurer
	Sun Life Reinsurance (Ireland) Limited	100%	Insurer

# ALPHABETICAL INDEX

([http://www.naic.org/committees\\_e\\_app\\_blanks.htm](http://www.naic.org/committees_e_app_blanks.htm))

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