



LIFE AND ACCIDENT AND HEALTH COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2009
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
Mail Address One Sun Life Executive Park Wellesley Hills, MA 02481
Primary Location of Books and Records 1130 Ten Rod Road, Suite 302 D North Kingstown, RI 02852-4161 781-446-1523
Internet Website Address www.sunlife.com
Statutory Statement Contact Lynn Marie Kelley 781-446-1523
lynn.kelley@sunlife.com 781-239-1682

OFFICERS

Name Title Name Title
JANET VEAL WHITEHOUSE, President MICHAEL SCOTT BLOOM, AVP and Senior Counsel and Secretary
RONALD HIEBERT FRIESEN, Sr. VP and Chief Financial Officer & Treasurer KEITH GUBBAY, Sr. VP and Chief Actuary

OTHER OFFICERS

PRISCILLA SIMS BROWN, Sr. VP and Head of U.S. Marketing Sr. VP and General Counsel
STEPHEN LUKE DESCHENES, Sr. VP and General Manager, Annuities # EVP and Chief Investment Officer
SEAN NIGEL WOODROFFE #, Vice President, Human Resources JOHN ROGER WRIGHT, EVP, Sun Life Financial U.S. Operations

DIRECTORS OR TRUSTEES

SCOTT MICHAEL DAVIS, STEPHEN LUKE DESCHENES, RONALD HIEBERT FRIESEN, KEITH GUBBAY
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.

JANET VEAL WHITEHOUSE
President

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

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	8,658,767	10.689	8,658,767	10.689
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies		0.000		0.000
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities)	508,298	0.627	508,298	0.627
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations		0.000		0.000
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	51,558	0.064	51,558	0.064
1.512 Issued or guaranteed by FNMA and FHLMC	154,112	0.190	154,112	0.190
1.513 All other	0	0.000	0	0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.000		0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521		0.000		0.000
1.523 All other	1,498,315	1.850	1,498,315	1.850
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	32,023,380	39.531	32,023,380	39.531
2.2 Unaffiliated non-U.S. securities (including Canada)	7,731,713	9.544	7,731,713	9.544
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated	468,773	0.579	468,773	0.579
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (including \$ ..... of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt)		0.000	0	0.000
6. Contract loans	21,345,927	26.351	21,345,927	26.351
7. Receivables for securities	0	0.000	0	0.000
8. Cash, cash equivalents and short-term investments	8,566,617	10.575	8,566,617	10.575
9. Other invested assets		0.000		0.000
10. Total invested assets	81,007,461	100.000	81,007,461	100.000

## SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year.....	0
2. Cost of acquired:	
2.1 Actual cost at time of acquisition (Part 2, Column 6).....	0
2.2 Additional investment made after acquisition (Part 2, Column 7).....	0
3. Current year change in encumbrances:	
3.1 Totals, Part 1, Column 13.....	0
3.2 Totals, Part 3, Column 11.....	0
4. Total gain (loss) on disposals, Part 3, Column 18.....	0
5. Deduct amounts received on disposals, Part 3, Column 15.....	0
6. Total foreign exchange change in book/adjusted carrying value:	
6.1 Totals, Part 1, Column 15.....	0
6.2 Totals, Part 3, Column 13.....	0
7. Deduct current year's other than temporary impairment recognized:	
7.1 Totals, Part 1, Column 12.....	0
7.2 Totals, Part 3, Column 10.....	0
8. Deduct current year's depreciation:	
8.1 Totals, Part 1, Column 11.....	0
8.2 Totals, Part 3, Column 9.....	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....	0
10. Deduct total nonadmitted amounts.....	0
11. Statement value at end of current period (Line 9 minus Line 10).....	0

**NONE**

## SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0
2. Cost of acquired:	
2.1 Actual cost at time of acquisition (Part 2, Column 7).....	0
2.2 Additional investment made after acquisition (Part 2, Column 8).....	0
3. Capitalized deferred interest and other:	
3.1 Totals, Part 1, Column 12.....	0
3.2 Totals, Part 3, Column 11.....	0
4. Accrual of discount.....	0
5. Unrealized valuation increase (decrease):	
5.1 Totals, Part 1, Column 9.....	0
5.2 Totals, Part 3, Column 8.....	0
6. Total gain (loss) on disposals, Part 3, Column 18.....	0
7. Deduct amounts received on disposals, Part 3, Column 15.....	0
8. Deduct amortization of premium and mortgage interest points and commitment fees.....	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest:	
9.1 Totals, Part 1, Column 13.....	0
9.2 Totals, Part 3, Column 13.....	0
10. Deduct current year's other than temporary impairment recognized:	
10.1 Totals, Part 1, Column 11.....	0
10.2 Totals, Part 3, Column 10.....	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0
12. Total valuation allowance.....	0
13. Subtotal (Line 11 plus Line 12).....	0
14. Deduct total nonadmitted amounts.....	0
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14).....	0

**NONE**

## SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year.....		0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8).....	0	
2.2 Additional investment made after acquisition (Part 2, Column 9).....	0	0
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16.....	0	
3.2 Totals, Part 3, Column 12.....	0	0
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13.....	0	
5.2 Totals, Part 3, Column 9.....	0	0
6. Total gain (loss) on disposals, Part 3, Column 19.....		0
7. Deduct amounts received on disposals, Part 3, Column 16.....		0
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17.....	0	
9.2 Totals, Part 3, Column 14.....	0	0
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 15.....	0	
10.2 Totals, Part 3, Column 11.....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....		0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....		0

NONE

## SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book /adjusted carrying value, December 31 of prior year.....		56,415,153
2. Cost of bonds and stocks acquired, Part 3, Column 7.....		1,149,528
3. Accrual of discount.....		183,259
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12.....	(200,000)	
4.2 Part 2, Section 1, Column 15.....	0	
4.3 Part 2, Section 2, Column 13.....	130,308	
4.4 Part 4, Column 11.....	31,150	(38,542)
5. Total gain (loss) on disposals, Part 4, Column 19.....		353,126
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....		6,314,046
7. Deduct amortization of premium.....		217,585
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15.....	0	
8.2 Part 2, Section 1, Column 19.....	0	
8.3 Part 2, Section 2, Column 16.....	0	
8.4 Part 4, Column 15.....	0	0
9. Deduct current year's other than temporary impairment recognized:		
9.1 Part 1, Column 14.....	151,878	
9.2 Part 2, Section 1, Column 17.....	0	
9.3 Part 2, Section 2, Column 14.....	0	
9.4 Part 4, Column 13.....	284,101	435,979
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		51,094,914
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....		51,094,914

**SCHEDULE D - SUMMARY BY COUNTRY**

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	8,710,326	9,057,528	8,803,047	7,665,010
	2. Canada .....	0	0	0	0
	3. Other Countries .....	508,298	547,500	515,835	500,000
	4. Totals	9,218,624	9,605,028	9,318,882	8,165,010
U. S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	0	0	0	0
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	154,112	164,573	154,694	150,872
Industrial and Miscellaneous and Credit Tenant Loans and Hybrid Securities (unaffiliated)	8. United States.....	33,521,695	34,526,266	34,178,036	35,162,379
	9. Canada.....	498,940	455,608	498,650	500,000
	10. Other Countries .....	7,232,772	7,450,835	7,642,534	7,180,000
	11. Totals	41,253,407	42,432,709	42,319,220	42,842,379
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. <b>Total Bonds</b>	50,626,143	52,202,310	51,792,796	51,158,261
<b>PREFERRED STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	14. United States .....	0	0	0	
	15. Canada .....	0	0	0	
	16. Other Countries .....	0	0	0	
	17. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	
	19. <b>Total Preferred Stocks</b>	0	0	0	
<b>COMMON STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	20. United States .....	468,773	468,773	338,465	
	21. Canada .....	0	0	0	
	22. Other Countries .....	0	0	0	
	23. Totals	468,773	468,773	338,465	
Parent, Subsidiaries and Affiliates	24. Totals	0	0	0	
	25. <b>Total Common Stocks</b>	468,773	468,773	338,465	
	26. <b>Total Stocks</b>	468,773	468,773	338,465	
	27. <b>Total Bonds and Stocks</b>	51,094,916	52,671,083	52,131,261	

**ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**SCHEDULE D - PART 1A - SECTION 1**

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments</b>											
1.1 Class 1	2,013,892	1,443,015	7,231	7,246,111	.0	10,710,249	18.2	9,175,240	15.8	10,710,249	.0
1.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	2,013,892	1,443,015	7,231	7,246,111	0	10,710,249	18.2	9,175,240	15.8	10,710,249	0
<b>2. All Other Governments</b>											
2.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.2 Class 2	.0	508,298	.0	.0	.0	508,298	0.9	509,892	0.9	508,298	.0
2.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	508,298	0	0	0	508,298	0.9	509,892	0.9	508,298	0
<b>3. U.S. States, Territories and Possessions etc., Guaranteed</b>											
3.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed</b>											
5.1 Class 1	48,502	85,017	17,696	2,894	.3	154,112	0.3	187,417	0.3	154,112	.0
5.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	48,502	85,017	17,696	2,894	3	154,112	0.3	187,417	0.3	154,112	0

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**ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Industrial and Miscellaneous (unaffiliated)</b>											
6.1 Class 1	7,689,549	4,748,165	6,452,531	633,521	496,990	20,020,756	34.1	19,781,223	34.1	19,503,975	516,782
6.2 Class 2	0	11,633,183	8,146,020	0	2,152,382	21,931,585	37.3	25,533,768	44.0	21,434,486	497,099
6.3 Class 3	0	910,454	2,940,649	0	0	3,851,103	6.6	2,388,504	4.1	3,851,103	0
6.4 Class 4	0	0	0	0	0	0	0.0	185,000	0.3	0	0
6.5 Class 5	0	0	0	0	0	0	0.0	220,000	0.4	0	0
6.6 Class 6	0	0	265,273	0	0	265,273	0.5	95,050	0.2	265,273	0
6.7 Totals	7,689,549	17,291,802	17,804,473	633,521	2,649,372	46,068,717	78.4	48,203,545	83.0	45,054,837	1,013,881
<b>7. Credit Tenant Loans</b>											
7.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
7.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
7.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
7.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
7.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
7.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>8. Hybrid Securities</b>											
8.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Class 2	0	500,010	0	0	499,025	999,035	1.7	0	0.0	499,025	500,010
8.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
8.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Class 6	0	0	0	0	300,000	300,000	0.5	0	0.0	0	300,000
8.7 Totals	0	500,010	0	0	799,025	1,299,035	2.2	0	0.0	499,025	800,010
<b>9. Parent, Subsidiaries and Affiliates</b>											
9.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
9.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
9.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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**ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	(d) 9,751,943	6,276,197	6,477,458	7,882,526	496,993	30,885,117	52.6	XXX	XXX	30,368,336	516,782
10.2 Class 2	(d) 0	12,641,491	8,146,020	0	2,651,407	23,438,918	39.9	XXX	XXX	22,441,809	997,109
10.3 Class 3	(d) 0	910,454	2,940,649	0	0	3,851,103	6.6	XXX	XXX	3,851,103	0
10.4 Class 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Class 6	(d) 0	0	265,273	0	300,000	565,273	1.0	XXX	XXX	265,273	300,000
10.7 Totals	9,751,943	19,828,142	17,829,400	7,882,526	3,448,400	58,740,411	100.0	XXX	XXX	56,926,521	1,813,891
10.8 Line 10.7 as a % of Col. 6	16.6	33.8	30.4	13.4	5.9	100.0	XXX	XXX	XXX	96.9	3.1
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	2,826,695	5,585,386	11,950,017	854,761	7,927,021	XXX	XXX	29,143,880	50.2	29,143,880	0
11.2 Class 2	0	6,169,025	17,719,452	0	2,155,183	XXX	XXX	26,043,660	44.8	26,043,660	0
11.3 Class 3	0	0	1,409,751	978,753	0	XXX	XXX	2,388,504	4.1	2,388,504	0
11.4 Class 4	0	0	185,000	0	0	XXX	XXX	185,000	0.3	185,000	0
11.5 Class 5	0	0	220,000	0	0	XXX	XXX	220,000	0.4	220,000	0
11.6 Class 6	0	0	0	0	95,050	XXX	XXX	95,050	0.2	95,050	0
11.7 Totals	2,826,695	11,754,411	31,484,220	1,833,514	10,177,254	XXX	XXX	58,076,094	100.0	58,076,094	0
11.8 Line 11.7 as a % of Col. 8	4.9	20.2	54.2	3.2	17.5	XXX	XXX	100.0	XXX	100.0	0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	9,751,943	6,276,197	6,477,458	7,365,744	496,994	30,368,336	51.7	29,143,880	50.2	30,368,336	XXX
12.2 Class 2	0	11,644,382	8,146,020	0	2,651,407	22,441,809	38.2	26,043,660	44.8	22,441,809	XXX
12.3 Class 3	0	910,454	2,940,649	0	0	3,851,103	6.6	2,388,504	4.1	3,851,103	XXX
12.4 Class 4	0	0	0	0	0	0	0.0	185,000	0.3	0	XXX
12.5 Class 5	0	0	0	0	0	0	0.0	220,000	0.4	0	XXX
12.6 Class 6	0	0	265,273	0	0	265,273	0.5	95,050	0.2	265,273	XXX
12.7 Totals	9,751,943	18,831,033	17,829,400	7,365,744	3,148,401	56,926,521	96.9	58,076,094	100.0	56,926,521	XXX
12.8 Line 12.7 as a % of Col. 6	17.1	33.1	31.3	12.9	5.5	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	16.6	32.1	30.4	12.5	5.4	96.9	XXX	XXX	XXX	96.9	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1	0	0	0	516,782	0	516,782	0.9	0	0.0	XXX	516,782
13.2 Class 2	0	997,109	0	0	0	997,109	1.7	0	0.0	XXX	997,109
13.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Class 6	0	0	0	0	300,000	300,000	0.5	0	0.0	XXX	300,000
13.7 Totals	0	997,109	0	516,782	300,000	1,813,891	3.1	0	0.0	XXX	1,813,891
13.8 Line 13.7 as a % of Col. 6	0.0	55.0	0.0	28.5	16.5	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	1.7	0.0	0.9	0.5	3.1	XXX	XXX	XXX	XXX	3.1

(a) Includes \$ 2,013,891 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$ current year, \$ prior year of bonds with Z designations and \$ , current year, \$ prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$ current year, \$ prior year of bonds with 5\* designations and \$ , current year, \$ prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.  
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ ; NAIC 2 \$ ; NAIC 3 \$ ; NAIC 4 \$ ; NAIC 5 \$ ; NAIC 6 \$ .

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**ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments</b>											
1.1 Issuer Obligations	1,999,924	1,412,757	0	7,246,010	0	10,658,691	18.1	8,692,786	15.0	10,658,691	0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	13,968	30,258	7,231	101	0	51,558	0.1	482,454	0.8	51,558	0
1.7 Totals	2,013,892	1,443,015	7,231	7,246,111	0	10,710,249	18.2	9,175,240	15.8	10,710,249	0
<b>2. All Other Governments</b>											
2.1 Issuer Obligations	0	508,298	0	0	0	508,298	0.9	509,892	0.9	508,298	0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
2.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	508,298	0	0	0	508,298	0.9	509,892	0.9	508,298	0
<b>3. U.S. States, Territories, and Possessions Guaranteed</b>											
3.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
3.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
4.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed</b>											
5.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	48,502	85,017	17,696	2,894	3	154,112	0.3	187,417	0.3	154,112	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
5.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	48,502	85,017	17,696	2,894	3	154,112	0.3	187,417	0.3	154,112	0

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**ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

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

<b>Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues</b>											
Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Industrial and Miscellaneous</b>											
6.1 Issuer Obligations .....	7,689,549	16,290,615	17,307,346	633,521	2,649,373	44,570,404	75.9	46,108,111	79.4	43,556,523	1,013,881
6.2 Single Class Mortgage-Backed/Asset-Based Securities .....	0	0	0	0	0	0	0.0	596,544	1.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
6.3 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
6.5 Defined .....	0	1,001,187	497,127	0	0	1,498,314	2.6	1,498,891	2.6	1,498,314	0
6.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	7,689,549	17,291,802	17,804,473	633,521	2,649,373	46,068,718	78.4	48,203,546	83.0	45,054,837	1,013,881
<b>7. Credit Tenant Loans</b>											
7.1 Issuer Obligations .....	0	0	0	0	0	0	0.0	0	0.0	0	0
7.2 Single Class Mortgage-Backed/Asset-Based Securities .....	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>8. Hybrid Securities</b>											
8.1 Issuer Obligations .....	0	500,010	0	0	799,025	1,299,035	2.2	0	0.0	499,025	800,010
8.2 Single Class Mortgage-Backed/Asset-Based Securities .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
8.3 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
8.5 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	500,010	0	0	799,025	1,299,035	2.2	0	0.0	499,025	800,010
<b>9. Parents, Subsidiaries and Affiliates</b>											
9.1 Issuer Obligations .....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Single Class Mortgage-Backed/Asset-Based Securities .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
9.3 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
9.5 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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**ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations	9,689,473	18,711,680	17,307,346	7,879,531	3,448,398	57,036,428	97.1	XXX	XXX	55,222,537	1,813,891
10.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	62,470	115,275	24,927	2,995	3	205,670	0.4	XXX	XXX	205,670	0
10.3 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined	0	1,001,187	497,127	0	0	1,498,314	2.6	XXX	XXX	1,498,314	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	9,751,943	19,828,142	17,829,400	7,882,526	3,448,401	58,740,412	100.0	XXX	XXX	56,926,521	1,813,891
10.8 Line 10.7 as a % of Col. 6	16.6	33.8	30.4	13.4	5.9	100.0	XXX	XXX	XXX	96.9	3.1
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations	2,660,015	10,995,636	30,134,470	1,496,047	10,024,621	XXX	XXX	55,310,789	95.2	55,310,789	0
11.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	166,680	257,999	351,636	337,467	152,633	XXX	XXX	1,266,415	2.2	1,266,415	0
11.3 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined	0	500,777	998,114	0	0	XXX	XXX	1,498,891	2.6	1,498,891	0
11.6 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	2,826,695	11,754,412	31,484,220	1,833,514	10,177,254	XXX	XXX	58,076,095	100.0	58,076,095	0
11.8 Line 11.7 as a % of Col. 8	4.9	20.2	54.2	3.2	17.5	XXX	XXX	100.0	XXX	100.0	0.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations	9,689,473	17,714,572	17,307,346	7,362,749	3,148,398	55,222,538	94.0	55,310,789	95.2	55,222,538	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	62,470	115,275	24,927	2,995	4	205,671	0.4	1,266,415	2.2	205,671	XXX
12.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined	0	1,001,187	497,127	0	0	1,498,314	2.6	1,498,891	2.6	1,498,314	XXX
12.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	9,751,943	18,831,034	17,829,400	7,365,744	3,148,402	56,926,523	96.9	58,076,095	100.0	56,926,523	XXX
12.8 Line 12.7 as a % of Col. 6	17.1	33.1	31.3	12.9	5.5	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	16.6	32.1	30.4	12.5	5.4	96.9	XXX	XXX	XXX	96.9	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations	0	997,109	0	516,782	300,000	1,813,891	3.1	0	0.0	XXX	1,813,891
13.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.3 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	997,109	0	516,782	300,000	1,813,891	3.1	0	0.0	XXX	1,813,891
13.8 Line 13.7 as a % of Col. 6	0.0	55.0	0.0	28.5	16.5	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	1.7	0.0	0.9	0.5	3.1	XXX	XXX	XXX	XXX	3.1

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**ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**SCHEDULE DA - VERIFICATION BETWEEN YEARS**

**Short-Term Investments**

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year.....	2,660,015	2,660,015	0	0	0
2. Cost of short-term investments acquired.....	12,172,994	12,172,994			
3. Accrual of discount.....	22	22			
4. Unrealized valuation increase (decrease).....	0	0			
5. Total gain (loss) on disposals.....	(252)	(252)			
6. Deduct consideration received on disposals.....	8,718,434	8,718,434			
7. Deduct amortization of premium.....	0	0			
8. Total foreign exchange change in book/adjusted carrying value.....	0	0			
9. Deduct current year's other than temporary impairment recognized.....	0	0			
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	6,114,345	6,114,345	0	0	0
11. Deduct total nonadmitted amounts.....	0				
12. Statement value at end of current period (Line 10 minus Line 11)	6,114,345	6,114,345	0	0	0

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

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Schedule DB - Part A - VBY

**NONE**

Schedule DB - Part B - VBY

**NONE**

Schedule DB - Part C - VBY

**NONE**

Schedule DB - Part D - VBY

**NONE**

Schedule DB - Part E - VBY

**NONE**

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

**SCHEDULE E - VERIFICATION BETWEEN YEARS**

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year.....	.0	.0	.0
2. Cost of cash equivalents acquired .....	6,163,153	6,163,153	
3. Accrual of discount.....	1,032	1,032	
4. Unrealized valuation increase (decrease).....	.0	.0	
5. Total gain (loss) on disposals.....	.0	.0	
6. Deduct consideration received on disposals.....	4,164,261	4,164,261	
7. Deduct amortization of premium.....	.0	.0	
8. Total foreign exchange change in book/adjusted carrying value.....	.0	.0	
9. Deduct current year's other than temporary impairment recognized.....	.0	.0	
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	1,999,924	1,999,924	.0
11. Deduct total nonadmitted amounts.....	.0		
12. Statement value at end of current period (Line 10 minus Line 11)	1,999,924	1,999,924	0

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

Schedule A - Part 1

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
912810-FJ-2	US Government Treasury Bond (State Depos.)	SD			1	7,324,822	120.0630	7,463,085	6,216,000	7,246,010	0	(31,433)	0	0	6.125	4.805	FA	143,808	380,730	01/22/2008	08/15/2029
912828-CJ-7	US Government Treasury Note				1	1,425,375	110.0310	1,540,437	1,400,000	1,412,757	0	(2,586)	0	0	4.750	4.518	MN	8,634	66,500	07/30/2004	05/15/2014
0199999	Total Bonds - U.S. Government - Issuer Obligations					8,750,197	XXX	9,003,522	7,616,000	8,658,767	0	(34,019)	0	0	XXX	XXX	XXX	152,442	447,230	XXX	XXX
362000-FR-0	GNMA Pool 569076		2		1	11,383	106.7030	11,655	10,923	11,369	0	43	0	6.000	3.855	MON	55	655	01/14/2004	11/01/2033	
362176-MT-3	GNMA Pool 213770		2		1	41,467	111.1950	42,351	38,087	40,190	0	(287)	0	9.500	7.075	MON	302	3,618	03/12/1999	12/01/2016	
0299999	Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities					52,850	XXX	54,006	49,010	51,559	0	(244)	0	0	XXX	XXX	XXX	357	4,273	XXX	XXX
0399999	Total - U.S. Government Bonds					8,803,047	XXX	9,057,528	7,665,010	8,710,326	0	(34,263)	0	0	XXX	XXX	XXX	152,799	451,503	XXX	XXX
836205-AJ-3	South Africa, Republic of Foreign Govern.		F		2FE	515,835	109.5000	547,500	500,000	508,298	0	(1,594)	0	6.500	6.066	JD	2,618	32,500	07/30/2004	06/02/2014	
0499999	Total Bonds - All Other Government - Issuer Obligations					515,835	XXX	547,500	500,000	508,298	0	(1,594)	0	0	XXX	XXX	XXX	2,618	32,500	XXX	XXX
1099999	Total - All Other Government Bonds					515,835	XXX	547,500	500,000	508,298	0	(1,594)	0	0	XXX	XXX	XXX	2,618	32,500	XXX	XXX
31283H-QG-3	FHLMC GOLD Pool G01355			2	1	89,336	108.1560	93,401	86,358	89,196	0	36	0	6.500	4.785	MON	468	5,613	10/10/2002	02/01/2032	
31373T-T8-3	FNMA Pool 303075			2	1	34,280	108.0740	37,094	34,323	34,266	0	5	0	6.500	6.499	MON	186	2,231	03/12/1999	11/01/2024	
31374L-WA-0	FNMA Pool 317541			2	1	31,078	112.8750	34,078	30,191	30,650	0	130	0	7.500	6.564	MON	189	2,264	03/12/1999	08/01/2015	
2699999	Total Bonds - U.S. Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities					154,694	XXX	164,573	150,872	154,112	0	171	0	0	XXX	XXX	XXX	843	10,108	XXX	XXX
3199999	Total - U.S. Special Revenue Bonds					154,694	XXX	164,573	150,872	154,112	0	171	0	0	XXX	XXX	XXX	843	10,108	XXX	XXX
025816-AX-7	American Express Co Basic				1FE	498,710	104.5100	522,552	500,000	498,773	0	32	0	0	6.150	6.185	FA	10,506	30,750	08/22/2007	08/28/2017
02635P-TB-9	American General Finance Corp Basic				3FE	407,553	81.9670	409,837	500,000	407,634	0	294	91,856	0	4.875	4.925	JJ	11,240	24,375	07/14/2005	07/15/2012
04621X-AC-2	Assurant Inc Senior Unsecured, Burlington Northern & Santa Fe Series 19			2	2FE	1,525,314	102.5320	1,537,977	1,500,000	1,512,456	0	(2,636)	0	0	5.625	5.397	FA	31,875	84,375	07/19/2004	02/15/2014
12189P-AA-0	CSX Corporation Debenture			2	1FE	27,970	100.0000	26,846	26,846	26,902	0	(111)	0	7.420	6.374	MS	542	1,992	03/07/2001	03/23/2010	
126408-BL-6	CenterPoint Energy Resources Senior Unse.				2FE	512,008	115.8380	503,896	435,000	486,059	0	(5,426)	0	0	7.900	5.904	MN	5,728	34,365	07/22/2004	05/01/2017
15189W-AB-6	CenterPoint Energy Resources Basic, Clear Channel Communications Senior Unse.				2FE	498,220	104.2710	521,355	500,000	498,733	0	159	0	0	6.150	6.199	MN	5,125	30,750	05/15/2006	05/01/2016
184502-AS-1	Cleveland Electric Illum. Colonial Realty LP Basic				2FE	517,120	105.7990	528,993	500,000	509,015	0	(2,008)	0	0	5.650	5.140	JD	1,256	28,250	08/01/2005	12/15/2013
195891-AJ-5	Commercial Net Lease Realty Basic, Consumers Energy Company Senior Unsecured				2FE	498,700	98.0780	490,389	500,000	499,165	0	113	0	0	6.150	6.184	JD	1,367	30,750	11/14/2005	12/15/2015
210518-CE-4	Countrywide Financial Corp Basic				1FE	498,645	101.7170	508,583	500,000	499,042	0	119	0	0	6.250	6.287	MN	3,993	31,250	05/11/2006	05/15/2016
22331A-AV-1	DR Horton Inc Basic				3FE	469,635	93.5000	467,500	500,000	479,662	0	2,678	0	0	5.625	6.449	JJ	12,969	28,125	11/21/2005	01/15/2016
23719A-AE-5	Darden Restaurants Inc Basic, Devon Financing Corp ULC Corporate Bond				2FE	494,575	90.7980	453,988	500,000	494,902	0	81	0	0	6.000	6.079	FA	11,333	30,000	08/09/2005	08/15/2035
25179S-AC-4	Enterprise Products Oper Basic, HRPT Properties Trust Senior Unsecured N.				2FE	1,141,870	108.6320	1,086,315	1,000,000	1,036,118	0	(19,457)	0	0	6.875	4.691	MS	17,378	68,750	11/21/2003	09/30/2011
293791-AD-1	Highwoods Realty LP Basic				2FE	498,509	91.2240	456,122	500,000	498,841	0	126	0	0	5.850	5.890	MS	8,613	29,250	07/27/2007	03/15/2017
40426W-AR-2	Home Depot Inc Basic				2FE	990,375	96.5260	965,257	1,000,000	990,800	0	136	0	0	5.875	5.944	JD	2,448	58,750	02/20/2007	12/16/2036
431282-AK-8	Honeywell International Inc Basic, Household Finance Corp Medium Term Note				1FE	496,870	102.2250	511,127	500,000	496,990	0	45	0	0	5.700	5.744	MS	8,392	28,500	03/12/2007	03/15/2037
441812-GM-0	Humana Inc Basic				2FE	498,545	101.0810	505,404	500,000	498,965	0	126	0	0	6.450	6.490	JD	2,688	32,250	05/25/2006	06/01/2016
444859-AV-4	Intuit Inc Basic				2FE	495,390	103.5750	517,877	500,000	496,431	0	388	0	0	5.750	5.873	MS	8,465	28,750	03/22/2007	03/15/2017
461202-AB-9	JP Morgan Chase Basic				1FE	497,920	103.5550	517,773	500,000	498,674	0	193	0	0	5.150	5.204	AO	6,438	25,750	09/27/2005	10/01/2015
46625H-DF-4	Jefferies Group Inc Basic				2FE	498,385	102.6940	513,468	500,000	498,902	0	211	0	0	5.875	5.932	JD	1,877	29,375	06/04/2007	06/08/2014
472319-AD-4	Lazard Group Basic				2FE	498,525	100.6390	503,193	500,000	498,841	0	116	0	0	6.850	6.890	JD	1,522	34,250	08/22/2007	06/15/2017
521070-AE-5	Liberty Mutual Group, Louisiana Land & Exploration Debentures				1FE	188,916	111.7750	167,662	150,000	164,904	0	(4,135)	0	0	7.625	4.346	AO	2,415	11,438	06/20/2003	04/15/2013
53079E-AC-8	MBNA Corporation Senior Unsecured Note				1FE	472,290	101.9350	509,677	500,000	484,040	0	2,433	0	0	5.000	5.689	JD	1,111	25,000	07/21/2004	06/15/2015
546268-AF-0	May Department Stores Co				3FE	505,199	100.2500	501,250	500,000	502,820	0	(532)	0	0	5.750	5.607	JJ	13,257	28,750	12/23/2004	07/15/2014
55263E-CJ-2	Mckesson HBOC Inc Basic				2FE	499,175	104.8880	524,441	500,000	499,360	0	70	0	0	5.700	5.722	MS	9,500	28,500	02/28/2007	03/01/2017

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**ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**SCHEDULE D - PART 1**

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
61748A-AE-6	Morgan Stanley				1FE	488,715		502,874	500,000	493,899	0	1,258	0	0	4.750	5.073	AO	5,938	23,750	07/14/2005	04/01/2014
652478-AH-1	News America Holdings Senior Unsecured N				2FE	656,122		583,373	500,000	558,088	0	(16,973)	0	0	9.250	5.128	FA	19,271	46,250	05/07/2003	02/01/2013
652478-BX-5	News America Holdings Senior Unsecured N				2FE	727,968		706,532	600,000	678,350	0	(9,232)	0	0	8.000	5.657	AO	9,867	48,000	10/22/2003	10/17/2016
708160-BJ-4	JC Penney Company Basic				3FE	558,550		540,000	500,000	541,446	0	(4,945)	0	0	7.650	6.109	FA	14,450	38,250	03/22/2006	08/15/2016
713291-AG-7	Unsecured Note				2FE	549,815		536,635	500,000	518,860	0	(6,588)	0	0	6.450	4.899	FA	12,183	32,250	10/18/2004	08/15/2012
718172-AB-5	Philip Morris International Basic				1FE	498,620		527,828	500,000	499,033	0	258	0	0	4.875	4.938	MN	3,047	24,375	05/13/2008	05/16/2013
72925P-AB-1	Plum Creek Timber Co Inc Basic				2FE	498,655		511,992	500,000	499,119	0	122	0	0	5.875	5.911	MN	3,753	29,375	11/08/2005	11/15/2015
74254P-MH-2	Principal Life Inc Fdg Basic				1FE	499,140		501,939	500,000	499,728	0	177	0	0	5.700	5.740	JD	1,742	28,500	06/02/2006	06/09/2011
743263-AL-9	Progress Energy Inc Basic				2FE	499,050		530,934	500,000	499,366	0	86	0	0	5.625	5.650	JJ	12,969	28,125	01/10/2006	01/15/2016
75884R-AP-8	Regency Centers LP Basic				2FE	499,311		478,732	500,000	499,598	0	60	0	0	5.250	5.267	FA	10,938	26,250	11/01/2005	08/01/2015
78442F-CJ-5	SLM Corp Basic				2FE	484,715		461,185	500,000	489,849	0	1,982	0	0	5.375	5.909	MN	3,434	26,875	04/13/2007	05/15/2014
786514-BF-5	Safeway Inc Medium Term Note				2FE	509,955		540,022	500,000	503,735	0	(1,291)	0	0	5.800	5.490	FA	10,956	29,000	07/22/2004	08/15/2012
792860-AH-1	St Paul Travelers Cos Inc Basic				1FE	499,025		541,642	500,000	499,326	0	94	0	0	5.500	5.527	JD	2,292	27,500	01/18/2007	12/01/2015
828807-BF-3	Simon Property Group LP Senior Unsecured				3FE	498,166		514,972	500,000	499,014	0	182	0	0	5.625	5.674	FA	10,625	28,125	01/07/2005	08/15/2014
852060-AG-7	Sprint Capital Corp Corporate Bond				1FE	920,000		920,000	1,000,000	920,052	0	1,486	60,187	0	6.900	7.195	MN	11,500	69,000	11/06/2003	05/01/2019
88947E-AE-0	Toll Brothers Inc Senior Unsecured Note				2FE	1,990,540		1,948,228	2,000,000	1,995,427	0	956	0	0	4.950	5.011	MS	29,150	99,000	06/21/2004	03/15/2014
90783T-AA-8	Union Pacific Corp Pass Through Cert			2	1FE	450,533		434,287	450,533	450,533	0	0	0	0	5.404	5.405	JJ	12,106	24,347	07/22/2004	07/02/2025
91913Y-AG-5	Valero Energy Corp Senior Unsecured Note				2FE	995,800		1,023,474	1,000,000	998,331	0	434	0	0	4.750	4.803	JD	2,111	47,500	05/30/2003	06/15/2013
94973V-AK-3	Wellpoint Inc Basic				1FE	498,150		504,711	500,000	498,775	0	168	0	0	5.250	5.298	JJ	12,104	26,250	01/05/2006	01/15/2016
95709T-AA-8	Westar Energy Inc				2FE	519,755		541,909	500,000	510,285	0	(1,965)	0	0	6.000	5.478	JJ	15,000	30,000	07/19/2004	07/01/2014
98310W-AB-4	Wyndham Worldwide				3FE	501,887		465,797	500,000	501,481	0	(169)	0	0	6.000	5.947	JD	2,500	30,000	06/08/2007	12/01/2016
984121-BW-2	Xerox Corporation Basic				2FE	499,280		521,564	500,000	499,393	0	53	0	0	6.350	6.369	MN	4,057	31,750	04/23/2008	05/15/2018
112585-AB-0	Brookfield Asset Management Basic		A		2FE	498,650		455,605	500,000	498,940	0	113	0	0	5.800	5.836	AO	5,317	29,000	04/20/2007	04/25/2017
02364W-AF-2	America Movil SAB de CV		F		1FE	473,620		530,706	500,000	486,383	0	2,784	0	0	5.500	6.253	MS	9,167	27,500	11/01/2004	03/01/2014
111021-AE-1	British Telecommunications Plc Corporate		F		2FE	680,365		637,108	500,000	666,680	0	(3,018)	0	0	9.625	6.063	JD	2,139	46,875	09/27/2005	12/15/2030
35177P-AK-3	France Telecom SA Medium Term Note		F		1FE	1,196,200		1,071,770	1,000,000	1,035,708	0	(29,273)	0	0	7.750	5.678	MS	25,833	77,500	11/06/2003	03/01/2011
78440P-AC-2	SK Telecom Co Ltd Senior Unsecured Notes		F		1FE	517,695		512,215	500,000	516,782	0	(512)	0	0	6.625	6.306	JJ	14,814	33,125	02/07/2008	07/20/2027
87927V-AE-8	Telecom Italia Capital Senior Unsecured		F		2FE	1,002,720		1,051,791	1,000,000	1,001,338	0	(305)	0	0	5.250	5.211	MN	6,708	52,500	10/15/2004	11/15/2013
87938W-AB-9	Telefonica Emisiones Sau Basic		F		1FE	380,000		421,774	380,000	380,000	0	0	0	0	6.421	6.421	JD	746	24,400	06/09/2006	06/20/2016
92857W-AD-2	Vodafone Group plc Senior Unsecured Note		F		1FE	1,894,032		1,934,386	1,800,000	1,847,296	0	(8,048)	0	0	5.375	4.786	JJ	40,581	96,750	05/06/2003	01/30/2015
92857W-AP-5	Vodafone Group plc Basic		F		1FE	498,147		531,084	500,000	498,575	0	155	0	0	5.625	5.674	FA	9,694	28,125	02/20/2007	02/27/2017
3299999	Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					39,320,131	XXX	39,946,481	39,842,379	38,456,058	0	(113,979)	151,878	0	XXX	XXX	XXX	637,419	2,389,167	XXX	XXX
05947U-AB-1	Banc of America Commercial Mtg CMBS Ser			2	1FE	501,719		498,797	500,000	500,244	0	(533)	0	0	5.179	5.142	MON	2,158	26,254	12/16/2005	02/10/2013
12513E-AK-0	Citigroup/deutsche Bank Commer CMBS Ser			2	1FE	496,112		385,844	500,000	497,127	0	267	0	0	5.224	5.358	MON	2,177	26,416	12/01/2008	07/01/2044
46625Y-EY-5	JP Morgan Chase Comm Mtg Sec CMBS Ser 20			2	1FE	502,480		481,590	500,000	500,944	0	(311)	0	0	4.878	4.839	MON	2,033	24,390	12/16/2004	12/15/2014
3699999	Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities					1,500,311	XXX	1,366,231	1,500,000	1,498,315	0	(577)	0	0	XXX	XXX	XXX	6,368	77,060	XXX	XXX
3899999	Total - Industrial and Miscellaneous Bonds (Unaffiliated)					40,820,442	XXX	41,312,712	41,342,379	39,954,373	0	(114,556)	151,878	0	XXX	XXX	XXX	643,787	2,466,227	XXX	XXX
04622D-AA-9	Assured Guaranty Us Hldg Basic			1	2FE	499,025		360,000	500,000	499,025	0	0	0	0	6.400	6.413	JD	1,422	32,000	12/13/2006	12/15/2066
06738C-AE-9	Barclays Bank Plc Fix-to-Float Perpetual		F		2FE	499,753		460,000	500,000	500,010	0	(6)	0	0	8.550	8.548	JD	1,900	42,750	09/13/2000	06/15/2011
539439-AC-3	Lloyds Banking Group PLC Perpetual Serie		F	1	6FE	500,000		300,000	500,000	300,000	(200,000)	0	0	6.413	6.413	AO	8,016	32,065	01/20/2009	01/01/9999	
4299999	Total Bonds - Hybrid Securities - Issuer Obligations					1,498,778	XXX	1,120,000	1,500,000	1,299,035	(200,000)	(6)	0	0	XXX	XXX	XXX	11,338	106,815	XXX	XXX
4899999	Total - Hybrid Securities					1,498,778	XXX	1,120,000	1,500,000	1,299,035	(200,000)	(6)	0	0	XXX	XXX	XXX	11,338	106,815	XXX	XXX
7799999	Total - Issuer Obligations					50,084,941	XXX	50,617,503	49,458,379	48,922,158	(200,000)	(149,598)	151,878	0	XXX	XXX	XXX	803,817	2,975,712	XXX	XXX
7899999	Total - Single Class Mortgage-Backed/Asset-Backed Securities					207,544	XXX	218,579	199,882	205,671	0	(73)	0	0	XXX	XXX	XXX	1,200	14,381	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

SCHEDULE D - PART 1

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

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book / Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates	
		3 Code	4 F o r e i g n	5 Bond CHAR			8 Rate Used To Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Maturity
7999999	- Total - Defined Multi-Class Residential Mortgage-Backed Securities					.0	.XXX	.0	.0	.0	.0	.0	.0	.0	.XXX	.XXX	.XXX	.0	.0	.XXX	.XXX
8099999	- Total - Other Multi-Class Residential Mortgage-Backed Securities					.0	.XXX	.0	.0	.0	.0	.0	.0	.0	.XXX	.XXX	.XXX	.0	.0	.XXX	.XXX
8199999	- Total - Defined Multi-Class Commercial Mortgage-Backed Securities					1,500,311	.XXX	1,366,231	1,500,000	1,498,315	.0	(577)	.0	.0	.XXX	.XXX	.XXX	6,368	77,060	.XXX	.XXX
8299999	- Total - Other Multi-Class Commercial Mortgage-Backed Securities					.0	.XXX	.0	.0	.0	.0	.0	.0	.0	.XXX	.XXX	.XXX	.0	.0	.XXX	.XXX
<b>8399999 Totals</b>						51,792,796	.XXX	52,202,313	51,158,261	50,626,144	(200,000)	(150,248)	151,878	0	.XXX	.XXX	.XXX	811,385	3,067,153	.XXX	.XXX

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**ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

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

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Number of Shares	6 Book / Adjusted Carrying Value	7 Fair Value		9 Actual Cost	10 Dividends			13 Change in Book / Adjusted Carrying Value			17 NAIC Market Indicator (a)	18 Date Acquired	
		3 Code	4 Foreign			7 Rate per Share Used To Obtain Fair Value	8 Fair Value		10 Declared But Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase / (Decrease)	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (13 - 14)			16 Total Foreign Exchange Change in B. /A.C.V.
521865-11-3	Lear Corporation Warrant			1,907.890	120,579	.63,200	120,579	.0	.0	.0	.0	120,578	.0	120,578	.0	U	11/18/2009
521865-20-4	Lear Corporation Common Stock			5,147.760	348,194	.67,640	348,194	338,465	.0	.0	.0	9,729	.0	9,729	.0	U	11/18/2009
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				468,773	XXX	468,773	338,465	.0	.0	.0	130,308	.0	130,308	.0	XXX	XXX
9799999	Total - Common Stocks				468,773	XXX	468,773	338,465	.0	.0	.0	130,308	.0	130,308	.0	XXX	XXX
9899999	Total - Preferred and Common Stocks				468,773	XXX	468,773	338,465	.0	.0	.0	130,308	.0	130,308	.0	XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues .....2, the total \$ value (included in Column 8) of all such issues \$ .....468,773

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**ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY**

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	
362000-FR-0..	GNMA Pool 569076 6.000%		12/01/2009	Paydown		186	186	194	193	.0	(7)	.0	(7)	.0	186	.0	.0	.0	.6	11/01/2033	
36202E-WE-5..	GNMA Pool 4245 6.000% 09/20/38		06/24/2009	Jefferies & Co., Inc.		321,545	309,364	310,331	310,320	.0	.0	.0	.0	.0	310,330	.0	.11,215	.11,215	.0	09/20/2038	
36202E-WE-5..	GNMA Pool 4245 6.000% 09/20/38		07/01/2009	Paydown		112,147	112,147	112,497	112,493	.0	(346)	.0	(346)	.0	112,147	.0	.0	.0	3,940	09/20/2038	
362176-MT-3..	GNMA Pool 213770 9.500%		12/01/2009	Paydown		7,195	7,195	7,833	7,646	.0	(451)	.0	(451)	.0	7,195	.0	.0	.0	.372	12/01/2016	
0399999 -	Bonds - U.S. Governments					441,073	428,892	430,855	430,652	0	(794)	0	(794)	0	429,858	0	11,215	11,215	14,579	XXX	
31283H-06-3..	FHLMC GOLD Pool 601355		12/01/2009	Paydown		21,864	21,864	22,618	22,574	.0	(710)	.0	(710)	.0	21,864	.0	.0	.0	.866	02/01/2032	
31373T-T8-3..	FNMA Pool 303075 6.500%		12/01/2009	Paydown		6,736	6,736	6,728	6,724	.0	.12	.0	.12	.0	6,736	.0	.0	.0	.227	11/01/2024	
31374L-WA-0..	FNMA Pool 317541 7.500%		08/01/15	Paydown		4,134	4,134	4,256	4,179	.0	(45)	.0	(45)	.0	4,134	.0	.0	.0	.170	08/01/2015	
3199999 -	Bonds - U.S. Special Revenues and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions					32,734	32,734	33,602	33,477	0	(743)	0	(743)	0	32,734	0	0	0	1,253	XXX	
060505-CL-6..	Bank of America Corp Basic		11/10/2009	Citigroup		501,835	500,000	503,200	502,631	.0	(249)	.0	(249)	.0	502,383	.0	(548)	(548)	36,017	08/15/2016	
12189P-AA-0..	Burlington Northern & Santa Fe Series 19		09/23/2009	Redemption 100.0000		105,061	105,061	109,460	105,714	.0	(351)	.0	(351)	.0	105,362	.0	(301)	(301)	5,882	03/23/2010	
125581-AR-9..	CIT Group Inc Senior Unsecured		10/21/2009	Bank of America		322,500	500,000	294,524	498,315	.0	140	203,931	(203,791)	.0	294,524	.0	27,976	27,976	30,903	02/01/2015	
152312-AQ-7..	Centex Corp Basic 5.250%		06/15/15	UBS/Warburg		490,000	500,000	472,280	479,790	.0	2,337	.0	2,337	.0	482,127	.0	7,873	7,873	24,427	06/15/2015	
40426W-AQ-4..	HRPT Properties Trust Senior Unsecured		10/26/2009	Wachovia		487,815	500,000	489,505	492,507	.0	1,059	.0	1,059	.0	493,566	.0	(5,751)	(5,751)	34,660	02/15/2014	
521865-AJ-4..	Lear Corporation Series B Senior Notes		11/18/2009	Taxable Exchange		338,465	500,000	117,500	185,000	.0	32,719	80,170	(47,451)	.0	137,549	.0	200,916	200,916	14,375	08/01/2014	
52517P-F6-3..	Lehman Brothers Holdings Inc Basic		11/16/2009	Inc		81,250	500,000	62,500	46,925	15,575	38,749	.0	54,324	.0	101,249	.0	(19,999)	(19,999)	.0	04/04/2016	
52517P-G9-6..	Lehman Brothers Holdings Inc Basic		11/23/2009	Morgan Stanley & Co		92,500	500,000	62,500	46,925	15,575	39,923	.0	55,498	.0	102,423	.0	(9,923)	(9,923)	.0	04/25/2011	
59018Y-SU-6..	Merrill Lynch & Co Inc		11/02/2009	J.P. Morgan Securities, Inc		1,532,940	1,500,000	1,496,265	1,497,869	.0	318	.0	318	.0	1,498,187	.0	34,753	34,753	94,167	02/03/2014	
745867-AD-3..	Pulte Homes Inc Senior Unsecured Note		09/24/2009	Deutschebank Securities		515,000	500,000	452,491	452,977	.0	2,734	.0	2,734	.0	455,711	.0	59,289	59,289	36,431	10/15/2017	
90783T-AA-8..	Union Pacific Corp Pass Through Cert		07/02/2009	Redemption 100.0000		13,285	13,285	13,285	13,285	.0	.0	.0	.0	.0	13,285	.0	.0	.0	.718	07/02/2025	
93933W-AC-0..	Washington Mutual Bank FA		11/20/2009	Morgan Stanley & Co		1,875	500,000	625	625	.0	.0	.0	.0	.0	625	.0	1,250	1,250	.0	01/15/2015	
25244S-AD-3..	Diageo Finance Bv Basic		11/03/2009	Morgan Keegan & Co., Inc		541,650	500,000	499,340	499,571	.0	78	.0	78	.0	499,649	.0	42,001	42,001	30,174	04/01/2013	
3899999 -	Bonds - Industrial and Miscellaneous (Unaffiliated)					5,024,176	6,618,346	4,573,475	4,822,134	31,150	117,457	284,101	(135,494)	0	4,686,640	0	337,536	337,536	307,754	XXX	
93934W-AA-3..	Wash Mutual Pfd Fdg Del Basic		11/17/2009	Goldman Sachs & Co		1,250	500,000.00	625	625	.0	.0	.0	.0	.0	625	.0	625	625	.0	XXX	
42205W-AB-2..	Hbos Plc Basic 6.413% 10/01/35	R	01/20/2009	Tax Free Exchange		500,000	500,000.00	500,000	500,000	.0	.0	.0	.0	.0	500,000	.0	.0	.0	9,887	XXX	
4899999 -	Bonds - Hybrid Securities					501,250	1,000,000	500,625	500,625	0	0	0	0	0	500,625	0	625	625	9,887	XXX	
8399997 -	Bonds - Part 4					5,999,233	8,079,972	5,538,557	5,786,888	31,150	115,920	284,101	(137,031)	0	5,649,857	0	349,376	349,376	333,473	XXX	
8399998 -	Bonds - Part 5					314,813	300,000	311,063	0	0	0	0	0	0	311,063	0	3,750	3,750	950	XXX	
8399999 -	Total - Bonds					6,314,046	8,379,972	5,849,620	5,786,888	31,150	115,920	284,101	(137,031)	0	5,960,920	0	353,126	353,126	334,423	XXX	
8999998 -	Preferred Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8999999 -	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799998 -	Common Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799999 -	Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9899999 -	Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9999999 Totals						6,314,046	XXX	5,849,620	5,786,888	31,150	115,920	284,101	(137,031)	0	5,960,920	0	353,126	353,126	334,423	XXX	

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

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book / Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
<b>NONE</b>									
1999999 Totals								XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ .....
2. Total amount of intangible assets nonadmitted: \$ .....

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

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
<b>NONE</b>					
0399999 Total				XXX	XXX



Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part A - Section 2

**NONE**

Schedule DB - Part A - Section 3

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part B - Section 2

**NONE**

Schedule DB - Part B - Section 3

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Part C - Section 3

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DB - Part D - Section 3

**NONE**

Schedule DB - Part E - Section 1

**NONE**





ANNUAL STATEMENT FOR THE YEAR 2009 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

SCHEDULE E PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposits	2 Purpose of Deposits	Deposits For		All Other Special Deposits		
			The Benefit of All Policyholders		5 Book/Adjusted Carrying Value	6 Fair Value	
			3 Book/Adjusted Carrying Value	4 Fair Value			
1. Alabama	AL						
2. Alaska	AK						
3. Arizona	AZ	B. State deposit	.0	.0	349,711	360,188	
4. Arkansas	AR	B. State deposit	.0	.0	116,570	120,063	
5. California	CA						
6. Colorado	CO						
7. Connecticut	CT						
8. Delaware	DE						
9. District of Columbia	DC						
10. Florida	FL						
11. Georgia	GA	B. State deposit	.0	.0	40,800	42,022	
12. Hawaii	HI						
13. Idaho	ID						
14. Illinois	IL						
15. Indiana	IN						
16. Iowa	IA						
17. Kansas	KS						
18. Kentucky	KY						
19. Louisiana	LA						
20. Maine	ME						
21. Maryland	MD						
22. Massachusetts	MA						
23. Michigan	MI						
24. Minnesota	MN						
25. Mississippi	MS						
26. Missouri	MO						
27. Montana	MT						
28. Nebraska	NE						
29. Nevada	NV						
30. New Hampshire	NH						
31. New Jersey	NJ						
32. New Mexico	NM	B. State deposit	.0	.0	174,855	180,094	
33. New York	NY						
34. North Carolina	NC	B. State deposit	.0	.0	466,281	480,250	
35. North Dakota	ND						
36. Ohio	OH						
37. Oklahoma	OK						
38. Oregon	OR						
39. Pennsylvania	PA						
40. Rhode Island	RI	B. State deposit	5,828,515	6,003,125	.0	.0	
41. South Carolina	SC	B. State deposit	.0	.0	145,713	150,078	
42. South Dakota	SD						
43. Tennessee	TN						
44. Texas	TX						
45. Utah	UT						
46. Vermont	VT						
47. Virginia	VA	B. State deposit	.0	.0	123,565	127,266	
48. Washington	WA						
49. West Virginia	WV						
50. Wisconsin	WI						
51. Wyoming	WY						
52. American Samoa	AS						
53. Guam	GU						
54. Puerto Rico	PR						
55. US Virgin Islands	VI						
56. Northern Mariana Islands	MP						
57. Canada	CN						
58. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0	
59. Total	XXX	XXX	5,828,515	6,003,125	1,417,495	1,459,961	
<b>DETAILS OF WRITE-INS</b>							
5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0
5899.	Totals (Lines 5801 - 5803 + 5898)(Line 58 above)	XXX	0	0	0	0	0

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