



LIFE AND ACCIDENT AND HEALTH COMPANIES — ASSOCIATION EDITION

ANNUAL STATEMENT
For the Year Ended December 31, 2010
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
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Internet Web Site Address www.sunlife.com/us
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OFFICERS

JANET VEAL WHITEHOUSE, President
RONALD HIEBERT FRIESEN, Sr. VP and Chief Financial Officer and Treasurer
MICHAEL SCOTT BLOOM, AVP and Senior Counsel and Secretary
LARRY RICHARD MADGE, Sr. VP and Chief Actuary

OTHER OFFICERS

PRISCILLA SIMS BROWN, Sr. VP and Head of U.S. Marketing
STEPHEN LUKE DESCHENES, Sr. VP and General Manager, Annuities
SEAN NIGEL WOODROFFE, Vice President, Human Resources
SCOTT MICHAEL DAVIS, Sr. VP and General Counsel
DAVID JAMES HEALY #, Sr. VP, Sun Life Financial U.S. Operations

DIRECTORS OR TRUSTEES

SCOTT MICHAEL DAVIS, STEPHEN LUKE DESCHENES, RONALD HIEBERT FRIESEN, LARRY RICHARD MADGE
JANET VEAL WHITEHOUSE

State of Massachusetts
County of Norfolk

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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

ANNUAL STATEMENT FOR THE YEAR 2010 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).....	51,683,700		51,683,700	50,626,144
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	468,773
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 (\$338,582 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$9,566,253 , Schedule DA).....	9,904,835		9,904,835	8,566,617
6. Contract loans (including \$premium notes)	20,583,733		20,583,733	21,345,927
7. Derivatives			0	
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	82,172,268	0	82,172,268	81,007,461
13. Title plants less \$charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	1,259,190		1,259,190	1,387,099
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	77,113		77,113	96,239
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....	1,847,388	907,154	940,234	545,167
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets	8,847	0	8,847	17,771
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	85,364,806	907,154	84,457,652	83,053,737
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	42,003,588		42,003,588	42,834,326
28. Total (Lines 26 and 27)	127,368,394	907,154	126,461,240	125,888,063
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Management fee receivable.....	8,847		8,847	17,771
2502.			0	0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	8,847	0	8,847	17,771

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$25,322,564 (Exhibit 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	25,322,564	27,309,903
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$ Modco Reserve)	0 0	0 0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)	20,530	26,614
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	200,450	206,450
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 \$0 assumed and \$34,000 ceded	34,000	37,400
9.4 Interest Maintenance Reserve (IMR, Line 6)	382,276	143,523
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)	(428,868)	(439,361)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	260	0
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)	173,238	210,839
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	1,000	18,791
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:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	166,284	86,511
24.02 Reinsurance in unauthorized companies	0	0
24.03 Funds held under reinsurance treaties with unauthorized reinsurers	0	0
24.04 Payable to parent, subsidiaries and affiliates	7,356	22,058
24.05 Drafts outstanding	0	0
24.06 Liability for amounts held under uninsured plans	0	0
24.07 Funds held under coinsurance	0	0
24.08 Derivatives	0	0
24.09 Payable for securities	0	0
24.10 Payable for securities lending	0	0
24.11 Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	25,879,090	27,622,728
27. From Separate Accounts statement	42,003,588	42,834,326
28. Total liabilities (Lines 26 and 27)	67,882,678	70,457,054
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	120,889	290,499
35. Unassigned funds (surplus)	33,237,642	29,920,479
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)	56,036,840	52,889,287
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	58,578,562	55,431,009
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	126,461,240	125,888,063
DETAILS OF WRITE-INS		
2501.	0	0
2502.	0	0
2503.	0	0
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	0
3101.	0	0
3102.	0	0
3103.	0	0
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. Surplus from SSAP 10R	120,889	290,499
3402.	0	0
3403.	0	0
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)	120,889	290,499

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)	(420,262)	(549,934)
2. Considerations for supplementary contracts with life contingencies		0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	3,713,370	4,304,217
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	85,890	36,104
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
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	1,068,148	1,267,818
8.2 Charges and fees for deposit-type contracts		0
8.3 Aggregate write-ins for miscellaneous income	175,398	260,416
9. Totals (Lines 1 to 8.3)	4,622,544	5,318,621
10. Death benefits	1,990,081	2,450,976
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
14. Coupons, guaranteed annual pure endowments and similar benefits		0
15. Surrender benefits and withdrawals for life contracts	5,765,179	13,997,668
16. Group conversions		0
17. Interest and adjustments on contract or deposit-type contract funds	14,080	47,996
18. Payments on supplementary contracts with life contingencies	31,223	31,222
19. Increase in aggregate reserves for life and accident and health contracts	(1,987,339)	(6,998,537)
20. Totals (Lines 10 to 19)	5,813,224	9,529,325
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)	279,256	294,585
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	18,520	17,814
25. Increase in loading on deferred and uncollected premiums		0
26. Net transfers to or (from) Separate Accounts net of reinsurance	(4,673,246)	(8,153,708)
27. Aggregate write-ins for deductions	0	0
28. Totals (Lines 20 to 27)	1,437,754	1,688,016
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	3,184,790	3,630,605
30. Dividends to policyholders		0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	3,184,790	3,630,605
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	651,240	881,840
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)	2,533,550	2,748,765
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (174,807) (excluding taxes of \$ 174,807 transferred to the IMR)	229,017	(182,843)
35. Net income (Line 33 plus Line 34)	2,762,567	2,565,922
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	55,431,009	52,709,067
37. Net income (Line 35)	2,762,567	2,565,922
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ 24,393	45,300	(25,053)
39. Change in net unrealized foreign exchange capital gain (loss)		0
40. Change in net deferred income tax	(467,231)	(274,735)
41. Change in nonadmitted assets	1,056,300	251,820
42. Change in liability for reinsurance in unauthorized companies		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	(79,773)	(86,511)
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
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
50. Capital changes:		
50.1 Paid in		0
50.2 Transferred from surplus (Stock Dividend)		0
50.3 Transferred to surplus		0
51. Surplus adjustment:		
51.1 Paid in		0
51.2 Transferred to capital (Stock Dividend)		0
51.3 Transferred from capital		0
51.4 Change in surplus as a result of reinsurance		0
52. Dividends to stockholders		0
53. Aggregate write-ins for gains and losses in surplus	(169,610)	290,499
54. Net change in capital and surplus for the year (Lines 37 through 53)	3,147,553	2,721,942
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	58,578,562	55,431,009
DETAILS OF WRITE-INS		
08.301 Management fee income	175,398	260,416
08.302		0
08.303		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)	175,398	260,416
2701.		0
2702.		0
2703.		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	0
5301. Surplus change from SSAP 10R	(169,610)	290,499
5302.		0
5303.		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)	(169,610)	290,499

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	(420,262)	(549,934)
2. Net investment income.....	3,921,079	4,470,967
3. Miscellaneous income.....	1,243,549	1,528,234
4. Total (Lines 1 through 3).....	4,744,366	5,449,267
5. Benefit and loss related payments.....	7,776,615	16,452,170
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	(4,672,919)	(8,409,823)
7. Commissions, expenses paid and aggregate write-ins for deductions.....	297,516	312,400
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses).....	688,843	498,191
10. Total (Lines 5 through 9).....	4,090,055	8,852,938
11. Net cash from operations (Line 4 minus Line 10).....	654,311	(3,403,671)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	15,994,027	6,314,046
12.2 Stocks.....	855,756	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	(254)
12.7 Miscellaneous proceeds.....	0	80,237
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	16,849,783	6,394,029
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	16,894,995	811,063
13.2 Stocks.....	19	338,465
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	75,117
13.7 Total investments acquired (Lines 13.1 to 13.6).....	16,895,014	1,224,645
14. Net increase (decrease) in contract loans and premium notes.....	(762,193)	(3,357,005)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	716,962	8,526,389
Cash from Financing and Miscellaneous Sources		
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.....	(6,084)	26,614
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	(26,971)	(172,234)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(33,055)	(145,620)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	1,338,218	4,977,098
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	8,566,617	3,589,519
19.2 End of year (Line 18 plus Line 19.1).....	9,904,835	8,566,617

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

20.0001. Bonds reclassified as Preferred Stocks.....	300,000	0
20.0002.		
20.0003.		
20.0004.		

ANNUAL STATEMENT FOR THE YEAR 2010 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	(420,262)	.0	(420,262)	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. Considerations for supplementary contracts with life contingencies	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. Net investment income	3,713,370	.0	3,624,620	37,134	51,616	.0	.0	.0	.0	.0	.0	.0
4. Amortization of Interest Maintenance Reserve (IMR)	85,890	.0	83,837	859	1,194	.0	.0	.0	.0	.0	.0	.0
5. Separate Accounts net gain from operations excluding unrealized gains or losses	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Commissions and expense allowances on reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reserve adjustments on reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	1,068,148	.0	1,068,148	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.2 Charges and fees for deposit-type contracts	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Aggregate write-ins for miscellaneous income	175,398	.0	171,209	1,751	2,438	.0	.0	.0	.0	.0	.0	.0
9. Totals (Lines 1 to 8.3)	4,622,544	0	4,527,552	39,744	55,248	0	0	0	0	0	0	0
10. Death benefits	1,990,081	.0	1,990,081	.0	.0	.0	.0	.0	.0	.0	.0	.0
11. Matured endowments (excluding guaranteed annual pure endowments)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Annuity benefits	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Disability benefits and benefits under accident and health contracts	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Coupons, guaranteed annual pure endowments and similar benefits	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Surrender benefits and withdrawals for life contracts	5,765,179	.0	5,737,712	27,467	.0	.0	.0	.0	.0	.0	.0	.0
16. Group conversions	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. Interest and adjustments on contract or deposit-type contract funds	14,080	.0	12,882	1,198	.0	.0	.0	.0	.0	.0	.0	.0
18. Payments on supplementary contracts with life contingencies	31,223	.0	.0	.0	31,223	.0	.0	.0	.0	.0	.0	.0
19. Increase in aggregate reserves for life and accident and health contracts	(1,987,339)	.0	(1,959,447)	(19,035)	(8,857)	.0	.0	.0	.0	.0	.0	.0
20. Totals (Lines 10 to 19)	5,813,224	.0	5,781,228	9,630	22,366	.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	.0
22. Commissions and expense allowances on reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
23. General insurance expenses	279,256	.0	279,256	.0	.0	.0	.0	.0	.0	.0	.0	.0
24. Insurance taxes, licenses and fees, excluding federal income taxes	18,520	.0	18,520	.0	.0	.0	.0	.0	.0	.0	.0	.0
25. Increase in loading on deferred and uncollected premiums	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
26. Net transfers to or (from) Separate Accounts net of reinsurance	(4,673,246)	.0	(4,673,246)	.0	.0	.0	.0	.0	.0	.0	.0	.0
27. Aggregate write-ins for deductions	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
28. Totals (Lines 20 to 27)	1,437,754	0	1,405,758	9,630	22,366	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)	3,184,790	.0	3,121,794	30,114	32,882	.0	.0	.0	.0	.0	.0	.0
30. Dividends to policyholders	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	3,184,790	.0	3,121,794	30,114	32,882	.0	.0	.0	.0	.0	.0	.0
32. Federal income taxes incurred (excluding tax on capital gains)	651,240	.0	638,255	5,600	7,385	.0	.0	.0	.0	.0	.0	.0
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	2,533,550	0	2,483,539	24,514	25,497	0	0	0	0	0	0	0
DETAILS OF WRITE-INS												
08.301. Management Fee Income	175,398	.0	171,209	1,751	2,438	.0	.0	.0	.0	.0	.0	.0
08.302.	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
08.303.	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
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. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	175,398	0	171,209	1,751	2,438	0	0	0	0	0	0	0
2701.	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2702.	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2703.	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
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. Total (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 2010 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
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	27,309,903	0	26,666,968	272,765	370,170	0	0	0
2. Tabular net premiums or considerations	0	0	0	0	0	0	0	0
3. Present value of disability claims incurred	0	0	0	0	XXX	0	0	0
4. Tabular interest	1,292,244	0	1,260,748	8,289	23,207	0	0	0
5. Tabular less actual reserve released	(432,520)	0	(407,359)	(27,324)	2,163	0	0	0
6. Increase in reserve on account of change in valuation basis	0	0	0	0	0	0	0	0
7. Other increases (net)	0	0	0	0	0	0	0	0
8. Totals (Lines 1 to 7)	28,169,627	0	27,520,357	253,730	395,540	0	0	0
9. Tabular cost	0	0	0	0	XXX	0	0	0
10. Reserves released by death	1,764,912	0	1,764,912	XXX	XXX	0	0	XXX
11. Reserves released by other terminations (net)	5,710,351	0	5,710,351	0	0	0	0	0
12. Annuity, supplementary contract, and disability payments involving life contingencies	34,225	0	0	0	34,225	0	0	0
13. Net transfers to or (from) Separate Accounts	(4,662,425)	0	(4,662,425)	0	0	0	0	0
14. Total deductions (Lines 9 to 13)	2,847,063	0	2,812,838	0	34,225	0	0	0
15. Reserve December 31, current year	25,322,564	0	24,707,519	253,730	361,315	0	0	0

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 409,439	443,363
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 2,475,494	2,258,988
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans	984,540	1,039,214
6. Cash, cash equivalents and short-term investments	(e) 14,629	14,629
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	17,286	17,286
10. Total gross investment income	3,901,388	3,773,480
11. Investment expenses		(g) 58,171
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 1,944
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)		60,115
17. Net investment income (Line 10 minus Line 16)		3,713,365
DETAILS OF WRITE-INS		
0901. Miscellaneous Investment Income	17,286	17,286
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)	17,286	17,286
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 \$ 103,080 accrual of discount less \$ 182,877 amortization of premium and less \$ 55,569 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 1,722 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			0		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	536,388		536,388		
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	(146,000)	0	(146,000)	200,000	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	163,271	0	163,271	(130,307)	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)	553,659	0	553,659	69,693	0
DETAILS OF WRITE-INS					
0901.			0		
0902.			0		
0903.			0		
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 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

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

	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	
FIRST YEAR (other than single)											
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
4. Advance	.0										
5. Line 3.4 - Line 4	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:											
6.1 Direct	.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
7. Line 5 + Line 6.4	.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
9. First year premiums and considerations:											
9.1 Direct	.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
9.3 Reinsurance ceded	.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
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	.0										
10.2 Reinsurance assumed	.0										
10.3 Reinsurance ceded	.420,262		.420,262								
10.4 Net	(.420,262)	.0	(.420,262)	.0	.0	.0	.0	.0	.0	.0	.0
RENEWAL											
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
14. Advance	.0										
15. Line 13.4 - Line 14	.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
17. Line 15 + Line 16.4	.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
19. Renewal premiums and considerations:											
19.1 Direct	.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
19.3 Reinsurance ceded	.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
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	.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
20.3 Reinsurance ceded	.420,262	.0	.420,262	.0	.0	.0	.0	.0	.0	.0	.0
20.4 Net (Lines 9.4 + 10.4 + 19.4)	(.420,262)	.0	(.420,262)	.0	.0	.0	.0	.0	.0	.0	.0

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

	1 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	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	0										
22. All other.....	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
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
COMMISSIONS INCURRED (direct business only)											
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	9,881	0	0	0	2,291	12,172
2. Salaries and wages	132,078	0	0	0	30,621	162,699
3.11 Contributions for benefit plans for employees	22,923	0	0	0	5,315	28,238
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	993	0	0	0	230	1,223
3.32 Other agent welfare	24	0	0	0	6	30
4.1 Legal fees and expenses	5,385	0	0	0	1,248	6,633
4.2 Medical examination fees	1,917	0	0	0	0	1,917
4.3 Inspection report fees	0	0	0	0	0	0
4.4 Fees of public accountants and consulting actuaries	3,154	0	0	0	731	3,885
4.5 Expense of investigation and settlement of policy claims	464	0	0	0	0	464
5.1 Traveling expenses	3,289	0	0	0	762	4,051
5.2 Advertising	9,069	0	0	0	2,103	11,172
5.3 Postage, express, telegraph and telephone	4,633	0	0	0	1,074	5,707
5.4 Printing and stationery	3,315	0	0	0	768	4,083
5.5 Cost or depreciation of furniture and equipment	2,921	0	0	0	677	3,598
5.6 Rental of equipment	676	0	0	0	157	833
5.7 Cost or depreciation of EDP equipment and software	2,423	0	0	0	562	2,985
6.1 Books and periodicals	140	0	0	0	33	173
6.2 Bureau and association fees	2,020	0	0	0	468	2,488
6.3 Insurance, except on real estate	94	0	0	0	22	116
6.4 Miscellaneous losses	22,637	0	0	0	0	22,637
6.5 Collection and bank service charges	3,328	0	0	0	0	3,328
6.6 Sundry general expenses	15,903	0	0	0	3,687	19,590
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	889	0	0	0	206	1,095
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	31,100	0	0	0	7,210	38,310
10. General expenses incurred	279,256	0	0	0	58,171	(a) 337,427
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)	279,256	0	0	0	58,171	337,427
DETAILS OF WRITE-INS						
09.301. Intercompany	0	0	0	0	0	0
09.302. Home Office	27,408	0	0	0	6,354	33,762
09.303. SLFUS Chargebacks	3,692	0	0	0	856	4,548
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)	31,100	0	0	0	7,210	38,310

(a) Includes management fees of \$ 267,068 to affiliates and \$ 0 to non-affiliates.

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

	Insurance			4 Investment	5 Total
	1 Life	Accident and Health			
		2	3 All Other Lines of Business		
1. Real estate taxes	0	0	0	0	0
2. State insurance department licenses and fees	3,383	0	0	0	3,383
3. State taxes on premiums	6,490	0	0	0	6,490
4. Other state taxes, incl. \$ for employee benefits	867	0	0	201	1,068
5. U.S. Social Security taxes	7,519	0	0	1,743	9,262
6. All other taxes	261	0	0	0	261
7. Taxes, licenses and fees incurred	18,520	0	0	1,944	20,464
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	235	0	0	25	260
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	18,285	0	0	1,919	20,204

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
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0
0899. Totals (Line 0801 through 0803 + 0898) (Line 8 above)	0	0

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
LIFE INSURANCE					
0100001. 80 CSO 4% NLP 85-88.....	23,734,781		23,734,781		
0199997 Totals (Gross).....	23,734,781	0	23,734,781	0	0
0199998 Reinsurance ceded.....	0				
0199999 Totals (Net).....	23,734,781	0	23,734,781	0	0
ANNUITIES (excluding supplementary contracts with life contingencies):					
0200001. 1983 IAV (A) 5 1/2% CARVM 96-97.....	235,602	XXX	235,602	XXX	
0200002. 1983 IAV (A) 6% CARVM 95.....	18,128	XXX	18,128	XXX	
0299997 Totals (Gross).....	253,730	XXX	253,730	XXX	0
0299998 Reinsurance ceded.....	0	XXX		XXX	
0299999 Totals (Net).....	253,730	XXX	253,730	XXX	0
SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:					
0300001. 83a 6 3/4% immediate.....	50,290		50,290		
0300002. a-2000 6 1/4% immediate.....	274,167		274,167		
0300003. a-2000 6 1/2% immediate.....	36,858		36,858		
0399997 Totals (Gross).....	361,315	0	361,315	0	0
0399998 Reinsurance ceded.....	0				
0399999 Totals (Net).....	361,315	0	361,315	0	0
ACCIDENTAL DEATH BENEFITS:					
0499997 Totals (Gross).....	0	0	0	0	0
0499998 Reinsurance ceded.....	0				
0499999 Totals (Net).....	0	0	0	0	0
DISABILITY-ACTIVE LIVES:					
0599997 Totals (Gross).....	0	0	0	0	0
0599998 Reinsurance ceded.....	0				
0599999 Totals (Net).....	0	0	0	0	0
DISABILITY-DISABLED LIVES:					
0699997 Totals (Gross).....	0	0	0	0	0
0699998 Reinsurance ceded.....	0				
0699999 Totals (Net).....	0	0	0	0	0
MISCELLANEOUS RESERVES					
0700001. Reserve for Minimum Death Benefit on Variable Life.....	972,738		972,738		
0799997 Totals (Gross).....	972,738	0	972,738	0	0
0799998 Reinsurance ceded.....	0				
0799999 Totals (Net).....	972,738	0	972,738	0	0
9999999 Totals (Net) - Page 3, Line 1.....	25,322,564	0	25,322,564	0	0



ANNUAL STATEMENT FOR THE YEAR 2010 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	
LIFE CONTRACTS (Including supplementary contracts set upon a basis other than that used to determine benefits) (Exhibit 5)			
0199999 Subtotal (Page 7, Line 6)	XXX	XXX	
ACCIDENT AND HEALTH CONTRACTS (Exhibit 6)			
0299999 Subtotal	XXX	XXX	
DEPOSIT-TYPE CONTRACTS (Exhibit 7)			
NONE			
0399999 Subtotal	XXX	XXX	
9999999 TOTAL (Column 4 only)			

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	0								
2. Additional contract reserves (a)	0								
3. Additional actuarial reserves - Asset/Liability analysis	0								
4. Reserve for future contingent benefits	0								
5. Reserve for rate credits	0								
6. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
7. Totals (Gross)	0	0	0	0	0	0	0	0	0
8. Reinsurance ceded	0								
9. Totals (Net)	0	0	0	0	0	0	0	0	0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	0								
11. Additional actuarial reserves-Asset/Liability analysis	0								
12. Reserve for future contingent benefits	0								
13. Aggregate write-ins for reserves	0			0	0	0	0	0	0
14. Totals (Gross)	0			0	0	0	0	0	0
15. Reinsurance ceded	0								
16. Totals (Net)	0	0	0	0	0	0	0	0	0
17. TOTAL (Net)	0	0	0	0	0	0	0	0	0
18. TABULAR FUND INTEREST	0								
DETAILS OF WRITE-INS									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0	0	0	0
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0

NONE

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

EXHIBIT 7 – DEPOSIT-TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	26,614			26,614		
2. Deposits received during the year .....	.0					
3. Investment earnings credited to the account	1,597			1,597		
4. Other net change in reserves .....	.0					
5. Fees and other charges assessed .....	.0					
6. Surrender charges .....	.0					
7. Net surrender or withdrawal payments	7,283			7,283		
8. Other net transfers to or (from) Separate Accounts	398			398		
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8)	20,530	.0	.0	20,530	.0	.0
10. Reinsurance balance at the beginning of the year .....	.0					
11. Net change in reinsurance assumed .....	.0					
12. Net change in reinsurance ceded .....	.0					
13. Reinsurance balance at the end of the year (Lines 10+11-12) .....	.0	.0	.0	.0	.0	.0
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	20,530	0	0	20,530	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 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	(b) .0
3. Incurred but unreported:											
3.1 Direct	278,435		278,435								
3.2 Reinsurance assumed .....	.0										
3.3 Reinsurance ceded	77,985		77,985								
3.4 Net	200,450	.0	(b) 200,450	(b) .0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	(b) .0
4. TOTALS											
4.1 Direct	278,435	.0	278,435	.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	77,985	0	77,985	0	0	0	0	0	0	0	0
4.4 Net	200,450	(a) 0	(a) 200,450	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 2010 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	2,256,175		2,224,952		31,223						
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	247,997		247,997								
1.4 Net	2,008,178	0	1,976,955	0	31,223	0	0	0	0	0	0
2. Liability December 31, current year from Part 1:											
2.1 Direct	278,435	0	278,435	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	77,985	0	77,985	0	0	0	0	0	0	0	0
2.4 Net	200,450	0	200,450	0	0	0	0	0	0	0	0
3. Amounts recoverable from reinsurers December 31, current year	77,113		77,113								
4. Liability December 31, prior year:											
4.1 Direct	287,509	0	287,509	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	81,059	0	81,059	0	0	0	0	0	0	0	0
4.4 Net	206,450	0	206,450	0	0	0	0	0	0	0	0
5. Amounts recoverable from reinsurers December 31, prior year	96,239	0	96,239	0	0	0	0	0	0	0	0
6. Incurred benefits:											
6.1 Direct	2,247,101	0	2,215,878	0	31,223	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	225,797	0	225,797	0	0	0	0	0	0	0	0
6.4 Net	2,021,304	0	1,990,081	0	31,223	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 Total 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. Derivatives	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets.....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	907,154	1,793,844	886,690
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	907,154	1,793,844	886,690
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	907,154	1,793,844	886,690
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.	0	0	0
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE 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 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, 2010, the Commissioner has not permitted the Company to use any accounting practices that cause 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:

<u>Description</u>	<u>2010</u>	<u>2009</u>
<u>Net Income</u>		
(1) Company basis	\$2,762,567	\$2,565,922
(2) State Prescribed Practices:	0	0
(3) State Permitted Practices:	<u>0</u>	<u>0</u>
(4) NAIC SAP	\$2,762,567	\$2,565,922
<u>Surplus</u>		
(5) Company Surplus	\$58,578,562	\$55,431,009
(6) State Prescribed Practices:	0	0
(7) State Permitted Practices:	<u>0</u>	<u>0</u>
(8) NAIC SAP	<u>\$58,578,562</u>	<u>\$55,431,009</u>

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

The preparation of financial statements in conformity with NAIC SAP 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 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 fair value has fallen below amortized cost, in which case they are carried at fair value.
- (3) The Company carries unaffiliated common stocks at fair value and holds no affiliated common stocks.
- (4) The Company does not hold any preferred stocks.
- (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 fair value has fallen below amortized cost, in which case they are carried at fair value. The retrospective adjustment method is used to value all securities.

NOTES TO THE FINANCIAL STATEMENTS

(7) The Company does not hold any investments in subsidiaries.

(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) Not Applicable.

(11) Not Applicable.

(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

The Company did not have any material changes in accounting principles or correction of errors during the statement year. Effective December 31, 2010, the Company adopted SSAP No. 100, "Fair Value Measurements" refer to Footnote 20 for disclosure. Effective January 1, 2011, the NAIC adopted changes to SSAP No. 43R, "Loan-backed and structured securities, Revised." These changes included broadening the definition of loan-backed and structured securities and clarification of the requirement to bifurcate realized gains and losses between AVR and IMR. Neither of those changes is expected to have a material impact on the Company's statutory-basis net income or surplus.

During 2010, the Company changed its classification for a perpetual debt instrument from bonds to preferred stocks. The classification change was made for an asset where distributions and/or redemptions were at the sole discretion of the issuer. This asset was sold prior to December 31, 2010.

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.

NOTES TO THE FINANCIAL STATEMENTS

Note 5: Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

- (1) As of December 31, 2010, 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:		
	\$ -	\$ -
a. Total interest due on mortgages with interest more than 180 days past due	\$ -	\$ -
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	\$ -	\$ -
(6) Current year impaired loans with a related allowance for credit losses:		
a. Related allowance for credit losses	\$ -	\$ -
(7) Impaired Mortgage loans without an allowance for credit losses	\$ -	\$ -
(8) Average recorded investment in impaired loans	\$ -	\$ -
(9) Interest income recognized during the period the loans were impaired	\$ -	\$ -
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired	\$ -	\$ -
(11) Allowance for credit losses:		
a. Balance at beginning of period	\$ -	\$ -
b. Additions charged to operations	\$ -	\$ -
c. Direct write-downs charged against the allowances	\$ -	\$ -
d. Recoveries of amounts previously charged off	\$ -	\$ -
e. Balance at end of period	\$ -	\$ -

(12) Not applicable.

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) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.
- (2) There were no other-than-temporary impairments recorded for loan-backed securities during 2010.
- (3) There were no other-than-temporary impairments recorded for loan-backed or structured securities during 2010.

NOTES TO THE FINANCIAL STATEMENTS

- (4) The gross unrealized losses and fair value of loan backed securities which have been deemed temporarily impaired and the length of time that securities have been in an unrealized loss position are as follows:
- | | |
|---|------------|
| a. The aggregate amount of unrealized losses: | |
| 1 Less than 12 Months | (\$192) |
| 2 12 Months or Longer | (\$10,737) |
| b. The aggregate related fair value of securities with unrealized losses: | |
| 1 Less than 12 Months | \$25,850 |
| 2 12 Months or Longer | \$486,671 |
- (5) If the fair value of a debt security is less than its amortized cost basis at the balance sheet date, the Company assesses whether the impairment is other than temporary. When an other than temporary impairment (“OTTI”) has occurred, the amount of OTTI recognized in earnings is the difference between the amortized cost basis of the security and its fair value. If the Company intends to sell the debt security, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis, an OTTI is considered to have occurred. If the Company does not intend to sell the debt security, or it is less likely than not that it will be required to sell the security before recovery of its amortized cost basis, the Company employs a portfolio monitoring process to identify securities that are OTTI.

The Company has a Credit Committee comprised of investment and finance professionals which meets at least quarterly to review individual issues or issuers that may be of concern. In determining whether a security is OTTI, the Credit Committee considers the factors described below. The process involves a quarterly screening of all securities where fair value is less than the amortized cost basis. Discrete credit events, such as a ratings downgrade, are also used to identify securities that may be OTTI. The securities identified are then evaluated based on issuer-specific facts and circumstances, such as the issuer’s ability to meet current and future interest and principal payments, an evaluation of the issuer’s financial position and its near term recovery prospects, difficulties being experienced by an issuer’s parent or affiliate, and management’s assessment of the outlook for the issuer’s sector. In making these evaluations, the Credit Committee exercises considerable judgment. Based on this evaluation, issues or issuers are considered for inclusion on one of the Company’s following credit lists:

“Monitor List”- Management has concluded that the Company’s amortized cost will be recovered through timely collection of all contractually specified cash flows, but that changes in issuer-specific facts and circumstances require monitoring on a quarterly basis. No OTTI charge is recorded in the Company’s consolidated statements of operations for unrealized loss on securities related to these issuers.

“Watch List”- Management has concluded that the Company’s amortized cost will be recovered through timely collection of all contractually specified cash flows, but that changes in issuer-specific facts and circumstances require continued monitoring during the quarter. A security is moved from the Monitor List to the Watch List when changes in issuer-specific facts and circumstances increase the possibility that a security may become impaired within the next 24 months. No OTTI charge is recorded in the Company’s consolidated statements of operations for unrealized loss on securities related to these issuers.

“Impaired List”- Management has concluded that the Company has the intent to sell the debt security, it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis, or the amortized cost basis of the security is not expected to be recovered due to expected delays or shortfalls in the contractually specified cash flows. For these investments, the amount of OTTI recognized in the Company’s consolidated statements of operations is the difference between the amortized cost basis of the security and its fair value.

Effective July 1, 2009, the Company recognizes and measures OTTI for structured securities in accordance with SSAP No. 43R. In accordance with SSAP No. 43R, if the fair value of a structured security is less than its amortized cost basis at the balance sheet date, the Company assesses whether the impairment is OTTI. When an OTTI has occurred, the amount of OTTI recognized in earnings is the difference between the amortized cost basis of the security and the present value of its expected future cash flows discounted at the effective interest rate implicit in the security.

If the Company intends to sell the structured security, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis, an OTTI is considered to have occurred. If the Company does not intend to sell the structured security, or it is less likely than not that it will be required to sell the security before recovery of its amortized cost basis, the Company performs cash flow based testing to determine if the present value of its expected future cash flows discounted at the effective interest rate implicit in the security is less than its amortized cost basis. Estimating future cash flows is a quantitative and qualitative process that incorporates information received from third parties, along with assumptions and judgments about the future performance of the underlying collateral. Losses incurred on the respective portfolios are based on expected loss models, not incurred loss models. Expected future cash flows include assumptions about key systematic risks and loan-specific information.

NOTES TO THE FINANCIAL STATEMENTS

There are inherent risks and uncertainties in management's evaluation of securities for OTTI. These risks and uncertainties include factors both external and internal to the Company, such as general economic conditions, an issuer's financial condition or near-term recovery prospects, market interest rates, unforeseen events which affect one or more issuers or industry sectors, and portfolio management parameters, including asset mix, interest rate risk, portfolio diversification, duration matching, and greater than expected liquidity needs. All of these factors could impact management's evaluation of securities for OTTI.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company has no repurchase agreements. As of December 31, 2010, the Company does not have a securities lending program.

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:

The Company excludes all investment income due and accrued with amounts over 90 days past due with the exception of mortgage loans in default. Accrued interest on mortgage loans that are in default is recorded as investment income due and accrued when such interest is deemed collectible except for interest 180 days past due.

B. The total amount of investment income due and accrued excluded from surplus for 2010 was \$0.

Note 8: Derivative Instruments

The Company does not hold any derivative instruments.

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Note 9: Income Taxes

A. The application of SSAP No. 10R requires a company to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary to reduce the deferred tax asset to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. Although the realization is not assured, management believes it is more likely than not that the deferred tax assets will be realized. Therefore, the Company has not recorded a valuation allowance as of December 31, 2010.

1. The components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs) as of December 31, 2010 and December 31, 2009 were as follows:

Description	12/31/2010			12/31/2009			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a Gross Deferred Tax Assets	\$ 646,361	1,206,093	1,852,454	916,943	1,583,440	2,500,382	(270,582)	(377,347)	(647,929)
b Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
c Adjusted Gross Deferred Tax Assets (1a-1b)	646,361	1,206,093	1,852,454	916,943	1,583,440	2,500,382	(270,582)	(377,347)	(647,929)
d Deferred Tax Liabilities	5,065	-	5,065	115,763	45,608	161,371	(110,698)	(45,608)	(156,306)
e Subtotal (Net Deferred Tax Assets) (1c-1d)	641,295	1,206,093	1,847,388	801,179	1,537,832	2,339,011	(159,884)	(331,739)	(491,623)
f Deferred Tax Assets Nonadmitted	282,512	624,642	907,154	256,011	1,537,832	1,793,843	26,501	(913,190)	(866,689)
g Net Admitted Deferred Tax Assets) (1e-1f)	<u>\$ 358,783</u>	<u>581,451</u>	<u>940,234</u>	<u>545,168</u>	<u>-</u>	<u>545,168</u>	<u>(186,385)</u>	<u>581,451</u>	<u>395,066</u>

2. The Company has elected to admit DTAs pursuant to paragraph 10.e. of SSAP No. 10R, Income Taxes - A Temporary Replacement of SSAP No. 10 for 2010 and the same election was made for 2009.

3. The Company recorded an increased amount of admitted adjusted gross DTAs as a result of its election to admit DTAs pursuant to paragraph 10.e. SSAP No. 10R. The increased amount by tax character, and the change in such, of admitted adjusted gross DTAs are as follows:

Description	12/31/2010			12/31/2009			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a Additional amount admitted pursuant to 10.e.i.	\$ -	-	-	-	-	-	-	-	-
b Additional amount admitted pursuant to 10.e.ii.	120,887	-	120,887	290,498	-	290,498	(169,611)	-	(169,611)
c Additional amount admitted pursuant to 10.e.iii.	-	-	-	-	-	-	-	-	-
d Total additional amount admitted deferred tax assets	<u>\$ 120,887</u>	<u>-</u>	<u>120,887</u>	<u>290,498</u>	<u>-</u>	<u>290,498</u>	<u>(169,611)</u>	<u>-</u>	<u>(169,611)</u>

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NOTES TO THE FINANCIAL STATEMENTS

4. The following table provides component amounts of the Company's calculation by tax character of paragraphs 10.a. 10.b.i, 10.b.ii. 10. c., 10.e.i. 10.e.ii.a. and 10.e.iii. of SSAP No. 10R and the risk-based capital level used in paragraph 10.d.

Description	12/31/2010			12/31/2009			Change			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total	
Admission Calculation Components										
SSAP 10R, paragraphs 10.a., 10.b. And 10.c										
a	SSAP 10R, paragraph 10.a	-	-	-	-	-	-	-	-	
b	SSAP 10R, paragraph 10.b (the lesser of paragraph 10b.i and 10b.ii below)	237,896	581,451	819,348	254,670	-	254,670	(16,774)	581,451	564,677
c	SSAP 10 R, paragraph 10.b.i	237,896	581,451	819,348	254,670	-	254,670	(16,774)	581,451	564,677
d	SSAP 10 R, paragraph 10.b.ii	5,689,025	5,689,025	5,689,025	5,425,192	5,425,192	5,425,192	263,834	263,834	527,667
e	SSAP 10 R, paragraph 10.c	5,065	-	5,065	115,763	45,608	161,371	(110,698)	(45,608)	(156,306)
f	Total (4a+4b+4e)	242,962	581,451	824,413	370,434	45,608	416,041	(127,472)	535,843	408,372
Admission Calculation Components										
SSAP 10R, paragraphs 10.e										
g	SSAP 10 R, paragraph 10.e.i	-	-	-	-	-	-	-	-	-
h	SSAP 10 R, paragraph 10.e.ii (the lesser of paragraph 10e.ii.a and 10e.ii.b below)	358,783	581,451	940,234	545,168	-	545,168	(186,385)	581,451	395,066
i	SSAP No. 10R, paragraph 10.e.ii.a	358,783	581,451	940,234	545,168	-	545,168	(186,385)	581,451	395,066
j	SSAP No. 10R, paragraph 10.e.ii.b	8,533,538	8,533,538	8,533,538	8,137,787	8,137,787	8,137,787	395,750	395,750	791,501
k	SSAP No. 10R, paragraph 10.e.iii	5,065	-	5,065	115,763	45,608	161,371	(110,698)	(45,608)	(156,306)
l	Total (4g+4h+4k)	363,848	581,451	945,300	660,931	45,608	706,539	(297,083)	535,843	238,761
Used in SSAP 10R, paragraph 10.d										
m	Total Adjusted Capital			58,623,959			55,227,022			3,396,937
n	Authorized Control Level			634,734			663,598			(28,864)

5. The following table provides the Company's admitted DTAs, admitted assets, statutory surplus and total adjusted capital in the risk-based capital calculation resulting from the calculation in paragraphs 10.a., 10.b. and 10.c. of SSAP No. 10R and the increased amount of DTAs, admitted assets and surplus as a result of the application of paragraph 10.e. of SSAP No. 10R as of December 31, 2010 and December 31, 2009.

Description	12/31/2010			12/31/2009			Change			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total	
SSAP 10R, paragraphs 10.a., 10.b. And 10.c										
a	Admitted Deferred Tax Assets	237,896	581,451	819,348	254,670	-	254,670	(16,774)	581,451	564,677
b	Admitted Assets			126,582,127			125,852,236			729,891
c	Adjusted Statutory Surplus*			58,699,449			55,140,511			3,558,938
d	Total Adjusted Capital from DTAs			58,623,959			55,227,022			3,396,937
Increased Amount due to SSAP 10R paragraph 10.e										
e	Admitted Deferred Tax Assets	358,783	581,451	940,234	545,168	-	545,168	(186,385)	581,451	395,066
f	Admitted Assets			126,461,240			125,888,063			573,177
g	Statutory Surplus			58,578,562			55,431,009			3,147,553

* As reported on the statutory balance sheet for the most recent statement filed with the domiciliary state commissioner adjusted in accordance with SSAP 10R, paragraph 10bii

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NOTES TO THE FINANCIAL STATEMENTS

6. The following table provides the impact of tax-planning strategies, if used in the Company's SSAP No. 10R calculation, on adjusted gross and net admitted DTAs.

Description	12/31/2010		
	(1) Ordinary Percent	(2) Capital Percent	(3) (Col 1-2) Total Percent
Impact of Tax Planning Strategies			
a Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	31%	31%
b Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	62%	62%

B. Not applicable

C. The following tables provide the Company's significant components of income taxes incurred and the changes in DTAs and DTLs.

1. Current Income Tax

Description	(1) 2010	(2) 2009	(3) (Col 1-2) Change
a Federal	\$ 651,240	881,840	(230,600)
b Foreign			-
c Subtotal	651,240	881,840	(230,600)
d Federal Income Tax on Capital Gains	153,532	918	152,614
e Utilization of Capital Loss Carry-forwards	(153,532)		(153,532)
f Other - Cumulative Accounting Principle Change			-
g Federal and Foreign Income Taxes Incurred	<u>\$ 651,240</u>	<u>\$ 882,758</u>	<u>\$ (231,518)</u>

2. Deferred Tax Assets:

Description	(1) 12/31/2010	(2) 12/31/2009	(3) (Col 1-2) Change
a. Ordinary			
(1) Discounting of unpaid losses			-
(2) Unearned premium reserve			-
(3) Policyholder reserves	343,939	355,184	(11,245)
(4) Investments	-	57,784	(57,784)
(5) Deferred acquisition costs	167,138	349,473	(182,335)
(6) Policyholder dividends accrual			-
(7) Fixed assets			-
(8) Compensation and benefits accrual			-
(9) Pension accrual			-
(10) Receivables - nonadmitted			-
(11) Net operating loss carry-forward			-
(12) Tax credit carry-forward			-
(13) Goodwill	131,892	154,502	(22,610)
(14) Other (including items <5% of total ordinary tax assets)	<u>3,392</u>	<u>-</u>	<u>3,392</u>
(99) Subtotal	646,361	916,943	(270,582)

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NOTES TO THE FINANCIAL STATEMENTS

(2) Deferred Tax Liabilities

Description	(1) 12/31/2010	(2) 12/31/2009	(3) (Col 1-2) Change
b. Statutory valuation allowance adjustment	-	-	-
c. Nonadmitted	<u>282,512</u>	<u>256,011</u>	<u>26,501</u>
d. Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	363,848	660,931	(297,083)
e. Capital:			
(1) Investments	624,642	818,053	(193,412)
(2) Net capital loss carry-forward	581,451	765,387	(183,935)
(3) Real estate			-
(4) Other (including items <5% of total capital tax assets)			-
(99) Subtotal	1,206,093	1,583,440	<u>(377,347)</u>
f. Statutory valuation allowance adjustment	-	-	-
g. Nonadmitted	<u>624,642</u>	<u>1,537,832</u>	<u>(913,190)</u>
h. Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>581,451</u>	<u>45,608</u>	<u>535,843</u>
i. Admitted deferred tax assets (2d + 2h)	945,300	706,539	238,761
3. Deferred Tax Liabilities:			
a. Ordinary			
(1) Investments	5,065	115,763	(110,698)
(2) Fixed asset			-
(3) Deferred and uncollected premium			-
(4) Policyholder reserves			-
(5) Other (including items <5% of total ordinary tax liabilities)			-
(99) Subtotal	5,065	115,763	<u>(110,698)</u>
b. Capital:			
(1) Investments	-	45,608	(45,608)
(2) Real estate			-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	<u>-</u>	<u>45,608</u>	<u>(45,608)</u>
c. Deferred Tax liabilities (3a99+3b99)	5,065	161,371	(156,306)
4. Net deferred tax assets/liabilities (2i-3c)	<u>\$ 940,234</u>	<u>545,168</u>	<u>395,066</u>

5. The change in net deferred income taxes is comprised of the following:

Description	(1) 12/31/2010	(2) 12/31/2009	(3) (Col 1-2) Change
a. Total deferred tax assets	\$ 1,852,454	2,500,382	(647,929)
b. Total deferred tax liabilities	<u>5,065</u>	<u>161,371</u>	<u>(156,306)</u>
c. Net deferred tax asset	\$ 1,847,388	2,339,011	(491,623)
d. Tax effect of unrealized (gains)/losses			<u>(24,392)</u>
e. Change in net deferred income tax			<u><u>(467,231)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

D. The provision for federal income taxes incurred for the current year is different from that which would be obtained by applying the statutory federal income tax rate to income before incomes taxes. The significant items causing this difference are as follows:

Description	Amount	Tax Effect	Effective Tax
		@ 35%	Rate
a. Income before taxes	\$ 3,184,790	1,114,676	29.82%
b. Pre-tax capital gains - Pre IMR	553,659	193,781	5.18%
c. Dividends Received Deduction	(207,741)	(72,709)	-1.94%
d. Non-deductible expenses		-	0.00%
e. Change in tax contingency reserves		-	0.00%
f. IMR	(85,890)	(30,062)	-0.80%
g. Change in Non-admitted Assets		-	0.00%
h. Prior year over/under accrual		(87,215)	-2.33%
i. Tax Credits		-	0.00%
j. Prior Period Adjustment booked to Surplus		-	0.00%
k. Miscellaneous		-	0.00%
l. Total statutory income taxes		<u>1,118,471</u>	<u>29.92%</u>
m. Federal and foreign income taxes incurred		651,240	17.42%
n. Change in net deferred income taxes		<u>467,231</u>	12.50%
o. Total statutory income taxes		<u>1,118,471</u>	<u>29.92%</u>

E. (1) At December 31, 2010, the Company has \$1,661,289 of capital loss carryforward, which will expire, if not utilized, in 2014.

(2) The following are income tax expenses (benefits) incurred in the current and prior years that are available for recoupment in the event of future net losses:

2010	\$	765,991
2009	\$	851,862
2008	\$	812,853

F. (1) The Company will file a consolidated federal income tax return for 2010 with the following affiliates:

- | | |
|---|---|
| (1) Sun Life Assurance Company of Canada - U.S. Operations Holdings, Inc. | (13) Sun Life Financial (U.S.) Reinsurance Company |
| (2) Sun Life Financial (U.S.) Holdings, Inc. | (14) Massachusetts Financial Services Company |
| (3) Sun Life Financial (Japan), Inc. | (15) MFS Investment Management K.K. |
| (4) Sun Life Financial (U.S.) Finance, Inc. | (16) MFS Fund Distributors, Inc. |
| (5) Sun Canada Financial Co. | (17) MFS Service Center, Inc. |
| (6) Sun Life Financial Distributors, Inc. | (18) MFS Institutional Advisors, Inc. |
| (7) Clarendon Insurance Agency, Inc. | (19) MFS Heritage Trust Company |
| (8) Sun Life of Canada (U.S.) Holdings, Inc. | (20) Four Pillars Capital, Inc. |
| (9) Sun Life of Canada (U.S.) Financial Services Holdings, Inc. | (21) California Benefits Dental Plan |
| (10) Sun Life Assurance Company of Canada (U.S.) | (22) Sun Life Administrators (U.S.), Inc. |
| (11) Independence Life and Annuity Company | (23) Dental Holdings, Inc. |
| (12) Sun Life Insurance and Annuity Company of New York | (24) Sun Life Financial (U.S.) Services Company, Inc. |

2) The method of income tax allocation is subject to a written agreement approved by the Company's board of directors. Allocation is based upon separate return calculations with current credit (benefit) given for losses and tax attributes that are utilized by the consolidated group. Intercompany tax balances are settled on a quarterly basis, with a final true-up after filing of the federal income tax return, as prescribed by the terms of the tax sharing agreement

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 2010 and 2009.
- C. Not applicable

NOTES TO THE FINANCIAL STATEMENTS

- D. The Company had \$7,356 and \$22,058 due to related parties at December 31, 2010 and 2009, 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 (U.S.), whereby Sun Life (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. All outstanding shares of the Company are owned by Sun Life (U.S.), which is a Delaware stock life insurance company and a wholly owned subsidiary of Sun Life of Canada (U.S.) Holdings, Inc. The Company is part of an affiliated group for which the ultimate parent is Sun Life Financial Inc., a publicly traded Canadian stock holding company.
- 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.
- L. The Company does not hold an investment in a down stream non-insurance holding company.

Note 11: Debt

- A. The Company has no outstanding debt. The Company does not hold any reverse repurchase agreements as part of debt at December 31, 2010.
- B. The Company has no Federal Home Loan Bank agreements.

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 does not have any employees and therefore 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;

NOTES TO THE FINANCIAL STATEMENTS

2,541,722 shares are issued and outstanding.

2. The Company is not authorized to issue preferred stock.
3. The state of Rhode Island has enacted laws governing the payment of dividends to stockholders by domestic insurers. Pursuant to Rhode Island's insurance laws, the maximum amount of dividends and other distributions that a domestic insurer may pay in any twelve-month period without prior approval of the Superintendent of Insurance is limited to the lesser of: (i) 10% of its surplus as regards policyholders as of the preceding December 31; or (ii) the company's net gain from operations for the preceding calendar year, not including realized capital gains.
- 4 & 5. Within the limitations of 13(3.) above and applicable state corporate law, there are no restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to its stockholder. No dividends were paid during 2010 or 2009.
6. There were no restrictions placed on the Company's surplus during 2010 and all surplus is held for the benefit of the stockholder.
7. There were no advances to surplus during the statement year.
8. The Company held no stock for special purposes at December 31, 2010.
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 unrealized gains and (losses) excluding deferred tax is approximately \$30,000.
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.

Note 14: Contingencies

A. Contingent Commitments

The Company has no material contingent liabilities or guarantees as of December 31, 2010.

B. Assessments

There were no assessments that could have a material financial effect on the financial condition of the Company at December 31, 2010.

C. Gain Contingencies

The Company does not have any gain contingencies.

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

The Company has no claims-related extra contractual obligations or bad faith losses stemming from lawsuits as of December 31, 2010.

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, 2011. Total rental expense, including allocated amounts, was approximately \$13,005 and \$17,300 for the years ended December 31, 2010 and 2009, respectively.

d. None

(2)

a. At January 1, 2011, the minimum aggregate rental commitments are as follows:

NOTES TO THE FINANCIAL STATEMENTS

2011	\$3,510
2012	0
2013	0
2014	0
2015	0
Thereafter	0

b. The Company has no outstanding sublease agreements.

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

B. Lessor Leasing Arrangements and Leveraged Leases

The Company did not participate in any lessor leasing arrangements, or hold any leveraged leases.

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.

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: Fair Value Measurements

A. Assets Measured at Fair Value

Effective December 31, 2010, the NAIC adopted SSAP No. 100, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. In August and December 2010, the NAIC issued additional guidance modifying the disclosure requirements. These changes are incorporated below.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

(1.) The Company's assets by classification measured at fair value as of December 31, 2010 are

NOTES TO THE FINANCIAL STATEMENTS

1 Description	2 (Level 1)	3 (Level 2)	4 (Level 3)	5 Total
Assets at fair value				
Preferred stock - Unaffiliated				
Industrial and miscellaneous	\$ -	\$ -	\$ -	\$ -
Common stock - Unaffiliated				
Industrial and miscellaneous	-	-	-	\$ -
Debt securities - Unaffiliated				
Corporate securities	-	-	-	\$ -
Separate Accounts assets	42,003,588	-	-	\$ 42,003,588
Total assets at fair value	\$ 42,003,588	\$ -	\$ -	\$ 42,003,588

(2-3) Not applicable

4. The Company has categorized its financial instruments based on the priority of the inputs to the valuation technique into a three-level hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded at fair value in the Company's balance sheet are categorized as follows:

Level 1 - Unadjusted quoted prices for identical assets or liabilities in an active market. The types of assets and liabilities utilizing Level 1 valuations include U.S. Treasury and agency securities, investments in publicly-traded mutual funds with quoted market prices and listed derivatives.

Level 2 - Quoted prices in markets that are not active or significant inputs that are observable either directly or indirectly. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in non-active markets;
- Inputs other than quoted market prices that are observable; and
- Inputs that are derived principally from or corroborated by observable market data through correlation or other means.

The types of assets and liabilities utilizing Level 2 valuations generally include U.S. Government securities not backed by the full faith and credit of the Government, municipal bonds, structured notes and certain mortgage-backed securities ("MBS"), asset-backed securities ("ABS"), collateralized mortgage obligations ("CMO"), residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), certain corporate debt, certain private equity investments and certain derivatives.

Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. They reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. Generally, the types of assets and liabilities utilizing Level 3 valuations are certain MBS, ABS, CMO, RMBS, and CMBS, certain corporate debt.

There have been no changes made in valuation techniques during 2010.

Note 21: 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 \$ 7,213,086 and \$ 7,246,010 at December 31, 2010 and 2009, 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.

NOTES TO THE FINANCIAL STATEMENTS

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. Sub-prime Mortgage Related Risk Exposure

As of December 31, 2010, the Company has no direct or indirect exposure to residential sub-prime mortgages.

H. Retained Assets

The Company does not have retained asset accounts for beneficiaries.

Note 22: Events Subsequent

None

Note 23: 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)
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?

NOTES TO THE FINANCIAL STATEMENTS

B. Uncollectible Reinsurance

None

C. Commutation of Ceded Reinsurance

None

Note 24: Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company has no retrospectively rated contracts.

Note 25: Change in Incurred Losses and Loss Adjustment Expenses

Not applicable

Note 26: Inter-company Pooling Arrangements

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

Note 27: Structured Settlements

The Company has not purchased any structured settlements.

Note 28: Health Care Receivables

A. Pharmaceutical Rebate Receivables

Not applicable

B. Risk Sharing Receivables

Not applicable

Note 29: Participating Policies

The Company does not have participating policies.

Note 30: Premium Deficiency Reserves

Not applicable

Note 31: 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 reserve changes other than normal updates of reserves.

NOTES TO THE FINANCIAL STATEMENTS

Note 32: Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

	-1 <u>Amount</u>	-2 <u>% of Total</u>
A. Subject to discretionary withdrawal:		
(1) With fair value adjustment	\$ 0	0.00%
(2) At book value less current surrender charge of 5% or more	0	0.00%
(3) At fair value	<u>0</u>	<u>0.00%</u>
(4) Total with adjustment or at market value (Total of 1 through 3)	<u>0</u>	<u>0.00%</u>
(5) At book value without adjustment (minimal or no charge or adjustment)	\$ 253,730	39.92%
B Not subject to discretionary withdrawal	<u>381,845</u>	<u>60.08%</u>
C. Total (Gross: Direct +Assumed)	635,575	100.000%
D. Reinsurance ceded	<u>-</u>	
E. Total (net)* (C) – (D)	<u>\$ 635,575</u>	
F. Life & Accident & Health Annual Statement:		
	<u>Amount</u>	
(1) Exhibit 5, Annuities Section, Total (net)	\$ 253,730	
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	361,315	
(3) Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	<u>20,530</u>	
(4) Subtotal	\$ 635,575	
Separate Accounts Annual Statement:		
(5) Exhibit 3, Line 0299999, Column 2	-	
(6) Exhibit 3, Line 0399999, Column 2	-	
(7) Policy Holder dividends and coupon	-	
(8) Policyholder premiums	-	
(9) Guaranteed interest contracts	-	
(10) Other contract deposit funds	<u>-</u>	
(11) Subtotal	<u>-</u>	
(12) Combined Total	<u>\$ 635,575</u>	

Note 33: Premium and Annuity Considerations Deferred and Uncollected

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

Note 34: Separate Accounts

A. Separate Account Activity

1) The Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and/or transactions. For the current reporting year, the Company reported assets and liabilities from the following product lines/transactions into a separate account:

- Independence Life and Annuity Company – Independence Variable Life Separate Account

In accordance with the domiciliary state procedures for approving items within the separate account, the separate account classification of the following is supported by Sec 27-32-1 of the Rhode Island Insurance Code.

2) In accordance with the products/transactions recorded within the separate account, some assets are considered legally insulated whereas others are not legally insulated from the general account. (The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account.)

As of December 31, 2010 and 2009 the Company separate account statement included legally insulated assets of \$42,003,588 and \$42,834,326, respectively. The assets legally insulated from the general account as of December 31, 2010 are attributed to the following products/transactions:

NOTES TO THE FINANCIAL STATEMENTS

1 Product Transactions	2 Legally Insulated Assets	3 Separate Account Assets (Not Legally Insulated)
Independence Variable Life Separate Account	\$ 42,003,588	\$ -
Total	\$ 42,003,588	\$ -

3) In accordance with the products/transaction recorded within the separate account, some separate account liabilities are guaranteed by the general account. (In accordance with the guarantees provided, if the investment proceeds are insufficient to cover the rate of return guaranteed for the product, the policyholder proceeds will be remitted by the general account.)

As of December 31, 2010, the general account of the Company had a maximum guarantee for separate account liabilities of \$50,638,742. To compensate the general account for the risk taken, the separate account has paid risk charges as follows for the past five (5) years:

a 2010	\$ 912,929
b 2009	XXXX
c 2008	XXXX
d 2007	XXXX
e 2006	XXXX

As of December 31, 2010, the general account of the Independence Life and Annuity Company had paid \$ 460,040 towards separate account guarantees.

4) The Company does not engage in securities lending transactions within the separate account.

B. 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:

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

	-1	-2	-3	-4	-5
	<u>Indexed</u>	Nonindexed Guarantee Less than/ equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	<u>Total</u>
(1) Premiums, considerations or deposits for year ended 12/31/10	\$0	\$0	\$0	\$0	\$0
Reserves at 12/31/10:					
(2) For accounts with assets at:					
a. Fair Value	\$0	\$0	\$0	\$41,574,720	\$41,574,720
b. Amortized Cost	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
c. Total Reserves	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$41,574,720</u>	<u>\$41,574,720</u>
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal	\$0	\$0	\$0	\$0	\$0
b. With FV adjustment	0	0	0	0	0
c. At book value without FV adjustment and with current surrender charge of 5% or more	0	0	0	0	0
d. At fair value	0	0	0	41,574,720	41,574,720
e. At book value without FV adjustment and with current with current surrender charge less than 5%	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
f. Subtotal	0	0	0	41,574,720	41,574,720
g. Not subject to discretionary withdrawal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
h. Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$41,574,720</u>	<u>\$41,574,720</u>

(4) Reserves for Asset Default Risk in Lieu of AVR
Not applicable

C. 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)	\$	4,673,246
c. Net transfers to or (from) Separate Accounts	\$	4,673,246
(2) Reconciling adjustments:	\$	<u>0</u>
(3) Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement (Page 4, Line 26)	\$	(4,673,246)

Note 35: 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 N/A
- 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 N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 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 Fund Distributors, Inc.....	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.....	Boston, 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.....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:.....
- 10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:.....
- 10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.6 If the response to 10.5 is yes, provide information related to this exemption:.....
- 10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.8 If the response to 10.7 is no or n/a, please explain:.....
11. 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 Office Park, Wellesley Hills, MA- Vice President Financial Actuarial.....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... Yes [] No [X]
- 12.11 Name of real estate holding company.....
- 12.12 Number of parcels involved.....
- 12.13 Total book/adjusted carrying value..... \$.....
- 12.2 If yes, provide explanation.....
Not applicable
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 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.
- 14.11 If the response to 14.1 is no, please explain:.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [X] No []
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).....
The board of directors approved changes to the Sun Life Financial Code of Business Conduct, which included increased emphasis on bribery and corruption, antitrust, privacy and records management. New references made to the social media and internal controls were added and language simplified.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).....

GENERAL INTERROGATORIES

BOARD OF DIRECTORS

- 15. 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 []
- 16. 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 []
- 17. 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 []

FINANCIAL

- 18. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 19.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 - 19.11 To directors or other officers \$.....
 - 19.12 To stockholders not officers .. \$.....
 - 19.13 Trustees, supreme or grand (Fraternal only) \$.....
- 19.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 19.21 To directors or other officers .. \$.....
 - 19.22 To stockholders not officers ... \$.....
 - 19.23 Trustees, supreme or grand (Fraternal only) \$.....
- 20.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 20.2 If yes, state the amount thereof at December 31 of the current year:
 - 20.21 Rented from others \$.....
 - 20.22 Borrowed from others \$.....
 - 20.23 Leased from others \$.....
 - 20.24 Other \$.....
- 21.1 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]
- 21.2 If answer is yes:
 - 21.21 Amount paid as losses or risk adjustment \$.....
 - 21.22 Amount paid as expenses \$.....
 - 21.23 Other amounts paid \$.....
- 22.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 22.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....

INVESTMENT

- 23.1 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 23.3)..... Yes [X] No []
- 23.2 If no, give full and complete information, relating thereto
- 23.3 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 17 where this information is also provided)
Not Applicable
- 23.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?..... Yes [] No [] NA [X]
- 23.5 If answer to 23.4 is yes, report amount of collateral for conforming programs. \$.....
- 23.6 If answer to 23.4 is no, report amount of collateral for other programs. \$.....
- 23.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?..... Yes [] No [] NA [X]
- 23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?..... Yes [] No [] NA [X]
- 23.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?..... Yes [] No [] NA [X]

GENERAL INTERROGATORIES

24.1 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 20.1 and 23.3). Yes [X] No []

24.2 If yes, state the amount thereof at December 31 of the current year:

24.21 Subject to repurchase agreements	\$
24.22 Subject to reverse repurchase agreements	\$
24.23 Subject to dollar repurchase agreements	\$
24.24 Subject to reverse dollar repurchase agreements	\$
24.25 Pledged as collateral	\$
24.26 Placed under option agreements	\$
24.27 Letter stock or securities restricted as to sale	\$
24.28 On deposit with state or other regulatory body	\$7,213,086
24.29 Other	\$

24.3 For category (24.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

25.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

25.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

26.1 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]

26.2 If yes, state the amount thereof at December 31 of the current year. \$

27. 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 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

27.01 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 Services Division, 135 Santilli Highway, Everett, MA 02149.....

27.02 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)	3 Complete Explanation(s)

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year? Yes [] No [X]

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

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

27.05 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	3 Address
109684.....	Sun Capital Advisers, LLC.....	One Sun Life Executive Park, Wellesley Hills, MA 02481.....

GENERAL INTERROGATORIES

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

28.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
28.2999 TOTAL		0

28.3 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

29. 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 (+)
29.1 Bonds.....	61,249,952	64,669,927	3,419,975
29.2 Preferred Stocks.....	0	0	0
29.3 Totals	61,249,952	64,669,927	3,419,975

29.4 Describe the sources or methods utilized in determining the fair values:.....
 Publicly traded debt securities: Third party pricing services, independent broker quotes, pricing models and other sources, including statement value. Private placements: matrix pricing using credit spreads for publics of similar credit risk, maturity, prepayment, and liquidity characteristics.....

30.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes [X] No []

30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... Yes [] No [X]

30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:.....
 An internal pricing validation of broker quotes is performed quarterly and is recorded in quarterly validation memo. Testing includes flux analysis, spread generation and outlier analysis, second source comparison and back testing.....

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

31.2 If no, list exceptions:.....

GENERAL INTERROGATORIES

OTHER

32.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$

32.2 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
.....	\$.....
.....	\$.....
.....	\$.....

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

33.2 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
.....	\$.....
.....	\$.....
.....	\$.....

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

34.2 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
.....	\$.....
.....	\$.....
.....	\$.....

FN #10.1, 10.3,10.5 - The Company is exempt from R.I. Insurance Regulation 87 pursuant to Section 2 of the regulation.

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	\$(420,262)		\$(549,934)
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$0		\$0
2.5	Reserve Denominator	\$24,550,276		\$26,511,304
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 [] N/A []
- 3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$1
- 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 \$327,183
- 4.22 Received \$
- 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 []

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 Reserve Credit

10 For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year: \$.....

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e. Present Value)
.....
.....
.....
.....

11.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

11.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....

11.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

11.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.
 Show amounts of life insurance in this exhibit in thousands (OMIT \$000)

	1 2010	2 2009	3 2008	4 2007	5 2006
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Col. 4)	117,351	121,590	155,655	190,796	212,924
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)	117,351	121,590	155,655	190,796	212,924
New Business Issued (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
Premium Income - Lines of Business (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)	(420,262)	(549,934)	(780,015)	(758,171)	(864,038)
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
18.1A & H-group (Line 20.4, Col. 8)	0	0	0	0	0
18.2A & H-credit (group and individual) (Line 20.4, Col. 9)	0	0	0	0	0
18.3A & 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	(420,262)	(549,934)	(780,015)	(758,171)	(864,038)
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	84,457,652	83,053,737	86,990,809	90,556,853	99,201,122
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	25,879,090	27,622,728	34,281,742	37,306,173	47,943,194
23. Aggregate life reserves (Page 3, Line 1)	25,322,564	27,309,903	34,308,440	36,851,362	47,349,316
24. Aggregate A & H reserves (Page 3, Line 2)	0	0	0	0	0
25. Deposit-type contract funds (Page 3, Line 3)	20,530	26,614	0	0	14,625
26. Asset valuation reserve (Page 3, Line 24.01)	166,284	86,511	0	113,211	333,378
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)	56,036,840	52,889,287	50,167,345	50,708,958	48,716,206
Cash Flow (Page 5)					
29. Net cash from operations (Line 11)	654,311	(3,403,671)	(235,125)	(7,852,091)	2,633,097
Risk-Based Capital Analysis					
30. Total adjusted capital	58,744,846	55,517,520	52,709,067	53,363,891	51,591,306
31. Authorized control level risk-based capital	634,734	685,944	624,570	633,832	629,800
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No./Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1)	62.9	62.5	65.4	64.2	54.5
33. Stocks (Lines 2.1 and 2.2)	0.0	0.6	1.2	1.7	0.5
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)	12.1	10.6	4.2	4.4	6.4
37. Contract loans (Line 6)	25.0	26.4	29.1	29.7	38.6
38. Derivatives (Page 2, Line 7)	0.0	XXX	XXX	XXX	XXX
39. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
40. Receivables for securities (Line 9)	0.0	0.0	0.1	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10)	0.0	XXX	XXX	XXX	XXX
42. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2010	2 2009	3 2008	4 2007	5 2006
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
45. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
46. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
48. Affiliated mortgage loans on real estate	0	0	0	0	0
49. All other affiliated	0	0	0	0	0
50. Total of above Lines 44 to 49	0	0	0	0	0
Total Nonadmitted and Admitted Assets					
51. Total nonadmitted assets (Page 2, Line 28, Col. 2)	907,154	1,793,844	2,336,163	1,326,922	1,419,093
52. Total admitted assets (Page 2, Line 28, Col. 3)	126,461,240	125,888,063	131,606,779	162,386,640	171,919,732
Investment Data					
53. Net investment income (Exhibit of Net Investment Income)	3,713,365	4,304,217	4,618,397	4,616,684	4,790,886
54. Realized capital gains (losses)	553,659	(83,108)	19,664	263,371	(36,176)
55. Unrealized capital gains (losses)	69,693	(38,542)	(31,150)	3,360	(3,360)
56. Total of above Lines 53, 54 and 55	4,336,717	4,182,567	4,606,911	4,883,415	4,751,350
Benefits and Reserve Increase (Page 6)					
57. 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)	7,755,260	16,448,644	14,613,430	18,998,956	9,140,666
58. Total contract benefits-A & H (Lines 13 & 14, Cols. 9, 10 & 11)	0	0	0	0	0
59. Increase in life reserves-other than group and annuities (Line 19, Cols. 2 & 3)	(1,959,447)	(6,998,194)	(2,543,204)	(10,441,198)	267,158
60. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	0	0	0	0	0
61. Dividends to policyholders (Line 30, Col. 1)	0	0	0	0	0
Operating Percentages					
62. 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	(66.4)	(53.6)	(35.5)	(36.4)	(32.4)
63. Lapse percent (ordinary only) [Exhibit of Life Insurance, Col. 4, Lines 14 & 15] / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21) x 100.00	7.1	17.1	7.9	12.2	2.9
64. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	0.0	0.0	0.0	0.0	0.0
65. A & H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)	0.0	0.0	0.0	0.0	0.0
66. 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
A & H Claim Reserve Adequacy					
67. Incurred losses on prior years' claims-group health (Sch. H, Part 3, Line 3.1, Col. 2)	0	0	0	0	0
68. Prior years' claim liability and reserve-group health (Sch. H, Part 3, Line 3.2, Col. 2)	0	0	0	0	0
69. 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
70. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2, Col. 1 less Col. 2)	0	0	0	0	0
Net Gains From Operations After Federal Income					
Taxes by Lines of Business (Page 6, Line 33)					
71. Industrial life (Col. 2)	0	0	0	0	0
72. Ordinary-life (Col. 3)	2,483,539	2,704,556	2,765,801	2,262,403	2,573,513
73. Ordinary-individual annuities (Col. 4)	24,514	22,920	21,130	19,810	38,069
74. Ordinary-supplementary contracts (Col. 5)	25,497	21,289	21,251	18,162	13,174
75. Credit life (Col. 6)	0	0	0	0	0
76. Group life (Col. 7)	0	0	0	0	0
77. Group annuities (Col. 8)	0	0	0	0	0
78. A & H-group (Col. 9)	0	0	0	0	0
79. A & H-credit (Col. 10)	0	0	0	0	0
80. A & H-other (Col. 11)	0	0	0	0	0
81. Aggregate of all other lines of business (Col. 12)	0	0	0	0	0
82. Total (Col. 1)	2,533,550	2,748,765	2,808,182	2,300,375	2,624,756

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []

If no, please explain

ANNUAL STATEMENT FOR THE YEAR 2010 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	930	121,590	0	0	0	0	0	121,590
2. Issued during year	0	0	0	0	0	0	0	0	0	0
3. Reinsurance assumed										0
4. Revived during year										0
5. Increased during year (net)				6,050						6,050
6. Subtotals, Lines 2 to 5	0	0	0	6,050	0	0	0	0	0	6,050
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		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	930	127,640	0	0	0	0	0	127,640
Deductions during year:										
10. Death			25	1,814			XXX			1,814
11. Maturity							XXX			0
12. Disability							XXX			0
13. Expiry										0
14. Surrender			36	8,475						8,475
15. Lapse										0
16. Conversion							XXX	XXX	XXX	0
17. Decreased (net)										0
18. Reinsurance										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	61	10,289	0	0	0	0	0	10,289
21. In force end of year (Line 9 minus Line 20)	0	0	869	117,351	0	0	0	0	0	117,351
22. Reinsurance ceded end of year	XXX		XXX	32,943	XXX		XXX	XXX		32,943
23. Line 21 minus Line 22	XXX	0	XXX	84,408	XXX	0 ^(b)	XXX	XXX	0	84,408
DETAILS OF WRITE-INS										
0801.										0
0802.										0
0803.										0
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.										0
1902.										0
1903.										0
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 \$

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

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		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 21)	
	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			869	117,351
35. Totals (Lines 31 to 34)	0	0	869	117,351

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary			117,351	
38. Credit Life (Group and Individual)				
39. Group				
40. Totals (Lines 36 to 39)	0	0	117,351	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 rounded 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 ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc. policies and riders included above	
47.1	
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 ^(b)	0	0 ^(b)	0	0 ^(b)	0	0 ^(b)	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

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

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	1	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	3	1	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	1	0	0
10. Amount on deposit	(a)		(a)	
11. Income now payable				
12. Amount of income payable	(a) 34,225	(a) 7,282	(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)		1		
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	0	1	0	0
9. In force end of year	0	10	0	0
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a) 253,730	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	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. Totals (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.

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE INDEPENDENCE LIFE AND ANNUITY COMPANY

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					
	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit - Type Contracts	
1. Alabama	AL	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 other amounts not allocable by State	XXX	0	0	0	0	0	0	0
95. Totals (Direct Business)	XXX	0	0	0	0	0	0	0
96. Plus reinsurance assumed	XXX						0	
97. Totals (All Business)	XXX	0	0	0	0	0	0	0
98. Less reinsurance ceded	XXX	420,262					420,262	
99. Totals (All Business) less Reinsurance Ceded	XXX	(420,262)	0	(b)	0		(420,262)	0
DETAILS OF WRITE-INS								
5801.	XXX						0	
5802.	XXX						0	
5803.	XXX						0	
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0
5899. Total (Lines 5801 through 5803 + 5898)(Line 58 above)	XXX	0	0	0	0	0	0	0
9401.	XXX						0	
9402.	XXX						0	
9403.	XXX						0	
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX	0	0	0	0	0	0	0
9499. Total (Lines 9401 through 9403 + 9498)(Line 94 above)	XXX	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

Not Applicable. No direct premium written

(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, Column 1, Line 1, indicate which; Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10.

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, 2010**

Federal ID#	Name of Subsidiary Company of Sun Life Financial Inc.	% of Voting Shares	Insurer / Non-Insurer
98-0226074	Sun Life Financial Inc. – United States Operations		
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
98-0226074	Sun Life Financial Inc. – Foreign Operations		
	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
	7324260 Canada Inc.	100%	Non-Insurer
	7720017 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 (Luxembourg) Finance No. 1 Sàrl	100%	Non-Insurer
	Sun Life (Poland) Group Financing sp. z.o.o.	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 2007-1 Financing Corp.	100%	Non-Insurer
	Sun Life Financial Reinsurance (Barbados) Limited	100%	Insurer
	Sun Life Global Investments Inc. – United States Operations	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.	99.857%	Non-Insurer
04-2747644	Massachusetts Financial Services Company	94.621%	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 International Ltd.	100%	Non-Insurer
	MFS do Brasil Desenvolvimento de Mercado Ltda.	100%	Non-Insurer
	MFS International (Hong Kong) Limited	100%	Non-Insurer
	MFS International (U.K.) Limited	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
	7101 France Avenue Manager, 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
	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
	SL Investment DELRE Holdings 2009-1, LLC	100%	Non-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
	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
26-1292779 13051 VT	Sun Life Financial (U.S.) Reinsurance Company	100%	Insurer
	Sun Life Financial (U.S.) Services Company, 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. – Foreign Operations	100%	Non-Insurer
	3060097 Nova Scotia Company	100%	Non-Insurer
	McLean Budden Limited	66.9%	Non-Insurer
	7508964 Canada Inc.	66.9%	Non-Insurer
	Sun Life Global Investments (Canada) Inc.	100%	Non-Insurer
38-1082080 80802 (CN)	Sun Life Assurance Company of Canada (including the United States Branch) – United States Operations	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
	SL Investment US-RE Holdings 2009-1, Inc.	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

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 Commerce Center, LLC	100%	Non-Insurer
	Sun Encore, LLC	100%	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
	Sun Sunset Plaza, LLC	100%	Non-Insurer
38-1082080 80802 (CN)	Sun Life Assurance Company of Canada – Foreign Operations	100%	Insurer
	2053812 Ontario Inc.	100%	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
	7587929 Canada Inc.	100%	Non-Insurer
	7647913 Canada Inc.	100%	Non-Insurer
	7647930 Canada Inc.	100%	Non-Insurer
	Annemasse Boisbriand Holdings, S.E.C.	1%	Non-Insurer
	Amaulico Fund Ltd.	100%	Non-Insurer
	Amaulico Ltd.	100%	Non-Insurer
	Annemasse Boisbriand Holdings, S.E.C.	99%	Non-Insurer
	BestServe Financial Limited	100%	Non-Insurer
	Buffett & Company Worksite Wellness Inc.	36%	Non-Insurer
	Canadian Environmental Energy Corporation	32.2%	Non-Insurer
	Chapais Electrique Limitée	100%	Non-Insurer
995169	Clarica MEEL Holdings Limited	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
154014	Mississauga Executive Enterprises Ltd.	50%	Non-Insurer
	MCAP Service Corporation	40%	Non-Insurer
	PT. Sun Life Financial Indonesia	96%	Insurer
	PT. Sun Life Indonesia Services	100%	Non-Insurer
	PT. CIMB Sun Life	49%	Insurer
	PT. Sun Life Financial Indonesia	4%	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
	SLFC Holdings (UK) plc	100%	Non-Insurer
	Barnwood Property Group Limited	0.05%	Non-Insurer
	Barnwood Properties Limited	0.05%	Non-Insurer
	Chapel Ash Financial Services Limited	100%	Non-Insurer
	City Financial Partners Limited	100%	Non-Insurer
	Consumers Financial Education Company Limited	100%	Non-Insurer
	Financial Alliances Limited	100%	Non-Insurer
	IMPCO Properties G.B. Limited	0.05%	Non-Insurer
	Laurtrust Limited	100%	Non-Insurer
	SLFC Assurance (UK) Limited	100%	Insurer
	Barnwood Property Group Limited	99.95%	Non-Insurer
	Barnwood Properties Limited	99.95%	Non-Insurer
	IMPCO Properties G.B. Limited	99.95%	Non-Insurer
	Sun Life Assurance Company of Canada (U.K.) Limited	100%	Insurer
	BHO Lease Company Limited	100%	Non-Insurer
	SLFC Investment Managers (UK) Limited	100%	Non-Insurer
	SLFC Services Company (UK) Limited	100%	Non-Insurer
	SLFoC Financial Group Plc	100%	Non-Insurer
	SLFoC Milldon Limited	99.9%	Non-Insurer
	SLFoC Independent (Jersey) Limited	100%	Non-Insurer
	SLFoC Independent Limited	100%	Non-Insurer
	SLFoC Milldon Limited	0.1%	Non-Insurer
	SLFoC Securities Limited	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 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 Financial of Canada Trustee Limited	100%	Non-Insurer
	Sun Life (Hungary) Group Financing Limited Liability Company	51.66%	Non-Insurer
	Sun Life (India) AMC Investments Inc.	100%	Non-Insurer
	Birla Sun Life Asset Management Company Limited	50%	Non-Insurer
	Aditya Birla Sun Life Asset Management Company Pte.	100%	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
	Sun Life Assurance Company of Canada (Barbados) Limited	100%	Insurer
	Sun Life Capital Trust	100%	Non-Insurer
	Sun Life Capital Trust II	100%	Non-Insurer
	Sun Life Everbright Life Insurance Company Limited	24.99%	Insurer
	Sun Life Financial (Hungary) Investments Inc.	100%	Non-Insurer
	Sun Life (Hungary) Group Financing Limited Liability Company	48.34%	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 Asia Services Limited	100%	Non-Insurer
	Sun Life Financial Distributors (Bermuda) Ltd.	100%	Non-Insurer
	Sun Life Financial Distributors (Canada) Inc.	100%	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 Trust Inc.	100%	Non-Insurer
	Hillcrest IV Properties Inc.	100%	Non-Insurer
	Sun Life Hong Kong 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 Financial (Hong Kong) Limited	100%	Non-Insurer
	Sun Life Hong Kong Advisory Limited	100%	Non-Insurer
	Sun Life Hong Kong Services Limited	100%	Non-Insurer
	Sun Life Trustee Company 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 of Canada (Netherlands) B.V.	50%	Non-Insurer
	Sun Life Financial of Canada (U.K.) Overseas Investments Limited	100%	Non-Insurer
	Sun Life of Canada (Netherlands) B.V.	50%	Non-Insurer
	Sun Life Financial Philippine Holding Company, Inc.	100%	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 Prosperity Dollar Abundance Fund, Inc.	27.00%	Non-Insurer
	Sun Life Prosperity GS Fund, Inc.	27.06%	Non-Insurer
	Sun Life Prosperity Money Market Fund, Inc.	49.66%	Non-Insurer
	Sun Life of Canada International Assurance Limited	100%	Insurer
	Sun Life Reinsurance (Ireland) Limited	100%	Insurer

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