

**REPORT OF THE COMMISSIONER OF THE OFFICE OF INSURANCE
FLORIDA DEPARTMENT OF**

INVESTIGATION OF THE FLORIDA LIFE INSURANCE COMPANY

REGULATORY AND FINANCIAL REPORT

The Office of Insurance has conducted a comprehensive audit of Florida Life Insurance Company, pursuant to Florida Statute 626, which authorizes the Commissioner to investigate insurance companies operating within the State of Florida.

The results of this investigation are set forth below. It is recommended that Florida Life Insurance Company take appropriate corrective action to address the findings detailed below.

It is noted by the Office of Insurance that the information and data in this report relate to the operations of the Company as of December 31, 2011. The Company's financial condition as of December 31, 2011, may have changed due to subsequent events or transactions that have occurred since December 31, 2011.

During the course of this investigation, the Office of Insurance has determined that there were significant problems with Florida Life Insurance Company's capital resources and liquidity management. Specifically, the Office of Insurance found that Florida Life Insurance Company had violated Florida Statute 626, which requires insurance companies to maintain minimum capital and liquidity requirements.

In addition, the Office of Insurance has determined that Florida Life Insurance Company's capital resources and liquidity management were insufficient to support the Company's current operations and future projections.

As a result of these findings, the Office of Insurance has issued a final regulatory order to Florida Life Insurance Company, which requires the Company to take certain corrective actions to address the deficiencies identified in this report.

On the authority of Florida's insurance commissioners to conduct investigations for the benefit of the public, the Office of Insurance, at 31 of December 2011, did determine to say to the Florida Life Insurance Company, pursuant to section 626(1)(b) of the Florida Statute, that it is necessary to regulate the Florida Life Insurance Company to protect the public interest and welfare of the State of Florida.

FLORIDA LIFE INSURANCE COMPANY
1000 University Drive
Orlando, Florida 32804