



# ANNUAL STATEMENT

For the Year Ended December 31, 2013  
of the Condition and Affairs of the

## American Savings Life Insurance Company

NAIC Group Code.....	NAIC Company Code..... 91910	Employer's ID Number..... 860113763
(Current Period) (Prior Period)		
Organized under the Laws of Arizona	State of Domicile or Port of Entry Arizona	Country of Domicile US
Incorporated/Organized..... April 6, 1954	Commenced Business..... April 24, 1954	
Statutory Home Office	935 E. Main Street, Suite 100..... Mesa ..... AZ ..... US ..... 85203 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	935 E. Main Street, Suite 100..... Mesa ..... AZ ..... US..... 85203 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	480-835-5000 <i>(Area Code) (Telephone Number)</i>
Mail Address	935 E. Main Street, Suite 100..... Mesa ..... AZ ..... US ..... 85203 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	935 E. Main Street, Suite 100..... Mesa ..... AZ ..... US ..... 85203 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	480-835-5000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	email@americansavingslife.com	
Statutory Statement Contact	RANDAL WADE JONES <i>(Name)</i> rjones@americansavingslife.com <i>(E-Mail Address)</i>	480-835-5000 <i>(Area Code) (Telephone Number) (Extension)</i> 480-835-5355 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. BYRON FRIHOFF ALLEN	President	2. ROBERT ELIJAH ALLEN	Vice President
3. DAVID KAY ALLEN	Secretary / Treasurer	4.	

### OTHER

### DIRECTORS OR TRUSTEES

DAVID KAY ALLEN	FRIHOFF GRANT ALLEN	CLARK ELIJAH ALLEN	BYRON FRIHOFF ALLEN
WILFORD RENEER CARDON	STEVEN LAURENCE STAPLEY #	HEBER EVERETT ALLEN	

State of..... ARIZONA  
County of..... MARICOPA

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.

_____ (Signature) BYRON FRIHOFF ALLEN	_____ (Signature) ROBERT ELIJAH ALLEN	_____ (Signature) DAVID KAY ALLEN
1. (Printed Name) President	2. (Printed Name) Vice President	3. (Printed Name) Secretary / Treasurer
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me  
This 26th day of February 2014

a. Is this an original filing? Yes [ X ] No [ ]  
b. If no  
1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

## 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).....	3,031,800		3,031,800	2,181,706
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	912,910	367,101	545,810	43,721
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	31,598,032		31,598,032	28,179,962
3.2 Other than first liens.....	737,242		737,242	273,003
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	478,050		478,050	489,852
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....	5,202,099	1,206,963	3,995,136	3,243,262
5. Cash (\$.....5,313,674, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....27,181, Schedule DA).....	5,340,854		5,340,854	5,424,694
6. Contract loans (including \$.....0 premium notes).....	81,872		81,872	102,989
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	1,261,522		1,261,522	589,617
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	48,644,382	1,574,064	47,070,318	40,528,807
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	499,189	118,026	381,162	311,513
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	223		223	119
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....11,785 earned but unbilled premiums).....	11,785		11,785	11,450
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....	1,867		1,867	41
20. Electronic data processing equipment and software.....			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	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	10,710	10,580	130	130
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	49,168,155	1,702,670	47,465,485	40,852,059
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	49,168,155	1,702,670	47,465,485	40,852,059

### DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. OTHER RECEIVABLES AND DEPOSITS.....	130		130	130
2502. EMPLOYEE EDUCATION LOAN.....	10,580	10,580	0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	10,710	10,580	130	130

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....23,677,003 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	23,677,003	19,239,693
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....		
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	6,357,586	6,420,326
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	24,106	9,050
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....		
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....	36,856	37,187
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	5,572	5,788
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....		
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded.....		
9.4 Interest Maintenance Reserve (IMR, Line 6).....	107,186	113,486
10. Commissions to agents due or accrued - life and annuity contracts \$.....650, accident and health \$.....0 and deposit-type contract funds \$.....0.....	650	18,000
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	86,669	80,475
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	93,397	75,606
15.1 Current federal and foreign income taxes, including \$.....66,489 on realized capital gains (losses).....	245,100	103,800
15.2 Net deferred tax liability.....		
16. Unearned investment income.....	4,042	4,464
17. Amounts withheld or retained by company as agent or trustee.....	941,832	636,015
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....		
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR Line 16, Col. 7).....	1,182,745	1,889,247
24.02 Reinsurance in unauthorized and certified (\$.....0) companies.....		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....		
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....		
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	C	C
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	32,762,743	28,633,138
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	32,762,743	28,633,138
29. Common capital stock.....	924,657	923,839
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	C	C
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	2,486,066	2,458,823
34. Aggregate write-ins for special surplus funds.....	C	C
35. Unassigned funds (surplus).....	17,291,972	14,657,335
36. Less treasury stock, at cost:		
36.1 4,451,594.000 shares common (value included in Line 29 \$.....445,159).....	5,999,952	5,821,076
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	13,778,086	11,295,082
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	14,702,742	12,218,921
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	47,465,485	40,852,059

### DETAILS OF WRITE-INS

2501. ....		
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	C	C
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	C	C
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	C	C
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	C	C
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	C	C
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	C	C

Annual Statement for the year 2013 of the **American Savings Life Insurance Company**  
**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).....	6,743,321	3,804,089
2. Considerations for supplementary contracts with life contingencies.....		
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	3,481,394	2,953,163
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	44,836	53,148
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1).....		
7. Reserve adjustments on reinsurance ceded.....		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....		
8.2 Charges and fees for deposit-type contracts.....		
8.3 Aggregate write-ins for miscellaneous income.....	14,759	14,625
9. Totals (Lines 1 to 8.3).....	10,284,310	6,825,026
10. Death benefits.....	70,194	49,356
11. Matured endowments (excluding guaranteed annual pure endowments).....		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....	1,872,335	540,925
13. Disability benefits and benefits under accident and health contracts.....		
14. Coupons, guaranteed annual pure endowments and similar benefits.....		
15. Surrender benefits and withdrawals for life contracts.....	147,415	37,416
16. Group conversions.....		
17. Interest and adjustments on contract or deposit-type contract funds.....	1,003,075	826,646
18. Payments on supplementary contracts with life contingencies.....		
19. Increase in aggregate reserves for life and accident and health contracts.....	3,706,930	3,149,597
20. Totals (Lines 10 to 19).....	6,799,949	4,603,940
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	120,538	64,888
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4).....	622,601	550,797
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	66,772	62,224
25. Increase in loading on deferred and uncollected premiums.....	127	385
26. Net transfers to or (from) Separate Accounts net of reinsurance.....		
27. Aggregate write-ins for deductions.....	0	0
28. Totals (Lines 20 to 27).....	7,609,986	5,282,233
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	2,674,324	1,542,792
30. Dividends to policyholders.....	36,980	37,109
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	2,637,344	1,505,683
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	294,448	290,708
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).....	2,342,896	1,214,975
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....110,925 (excluding taxes of \$.....9,634 transferred to the IMR).....	451,408	118,899
35. Net income (Line 33 plus Line 34).....	2,794,304	1,333,874
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	12,218,921	12,550,388
37. Net income (Line 35).....	2,794,304	1,333,874
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....3,362.....	16,811	46,782
39. Change in net unrealized foreign exchange capital gain (loss).....		
40. Change in net deferred income tax.....		
41. Change in nonadmitted assets.....	130,481	(48,528)
42. Change in liability for reinsurance in unauthorized and certified companies.....		
43. Change in reserve on account of change in valuation basis, (increase) or decrease.....		
44. Change in asset valuation reserve.....	706,502	(254,531)
45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1).....	(178,876)	(486,352)
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....		
47. Other changes in surplus in Separate Accounts Statement.....		
48. Change in surplus notes.....		
49. Cumulative effect of changes in accounting principles.....		
50. Capital changes:		
50.1 Paid in.....	840	556
50.2 Transferred from surplus (Stock Dividend).....		
50.3 Transferred to surplus.....		
51. Surplus adjustment:		
51.1 Paid in.....	26,265	17,941
51.2 Transferred to capital (Stock Dividend).....		
51.3 Transferred from capital.....		
51.4 Change in surplus as a result of reinsurance.....		
52. Dividends to stockholders.....	(1,012,506)	(941,209)
53. Aggregate write-ins for gains and losses in surplus.....	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53).....	2,483,821	(331,467)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	14,702,742	12,218,921

**DETAILS OF WRITE-INS**

08.301. Profit Sharing Plan management fee.....	6,108	8,332
08.302. Computer consulting fees.....	8,651	6,294
08.303. ....		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	14,759	14,625
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
5301. Sale of Holbrook Legacy Billboards recognized in 2007 received in 2008.....		
5302. ....		
5303. ....		
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	0	0

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	6,742,881	3,801,030
2. Net investment income.....	3,492,387	3,423,474
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	10,235,268	7,224,504
5. Benefit and loss related payments.....	2,089,944	913,419
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	722,192	529,998
8. Dividends paid to policyholders.....	36,980	37,109
9. Federal and foreign income taxes paid (recovered) net of \$.....112,852 tax on capital gains (losses).....	153,148	277,543
10. Total (Lines 5 through 9).....	3,002,264	1,758,069
11. Net cash from operations (Line 4 minus Line 10).....	7,233,004	5,466,435
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	249,000	500,848
12.2 Stocks.....	1,381,996	6,911
12.3 Mortgage loans.....	8,291,100	4,012,115
12.4 Real estate.....	766,682	441,784
12.5 Other invested assets.....	208,095	830,383
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	10,896,873	5,792,041
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,489,813	2,185,554
13.2 Stocks.....	502,089	
13.3 Mortgage loans.....	13,107,000	8,038,367
13.4 Real estate.....		
13.5 Other invested assets.....	910,888	1,464,943
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	17,009,790	11,688,864
14. Net increase (decrease) in contract loans and premium notes.....	(21,116)	(11,016)
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(6,091,801)	(5,885,807)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	29,078	18,497
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(62,740)	121,761
16.5 Dividends to stockholders.....	1,012,506	941,209
16.6 Other cash provided (applied).....	(178,876)	(486,352)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,225,044)	(1,287,303)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(83,840)	(1,706,675)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	5,424,694	7,131,369
19.2 End of year (Line 18 plus Line 19.1).....	5,340,854	5,424,694

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

20.0001 .....		
---------------	--	--

**NOTES TO FINANCIAL STATEMENTS**

## 1. A. Accounting Practices

The accompanying financial statements have been prepared in conformity with the NAIC Annual Statement Instructions and NAIC Accounting Practices and Procedures manual.

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

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

## C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Expenses incurred in connection with acquiring new business, including acquisition costs such as sales commissions, are charged to operations incurred. The Company also uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the effective interest method.
- (3) Common Stocks are valued at market except that investments in stocks of subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis. Investment in affiliates not submitted to the SVO are non-admitted.
- (4) Preferred Stocks are stated at cost.
- (5) Mortgage Loans on real estate and Policy Loans are stated at the aggregate unpaid balance or at the amortized cost for loans purchased at a discount.
- (7) Investments in subsidiaries are accounted for using the equity method.

2. N/A

3. N/A

4. N/A

## 5. Investments

## A. Mortgage Loans

The maximum and minimum lending rates for mortgages during 2013 were 11.500% and 9.990% respectively. There was no loan exceeding 75% of the value of the security when the loan was originated. The Company held the following mortgages with interest over due 180 days or more on December 31, 2013 and December 31, 2012 respectively:

December 31, 2013	December 31, 2012
Eight mortgages	Nine mortgages
\$1,214,623 recorded investment	\$1,875,340 recorded investment
\$151,468 interest due	\$192,937 interest due

## B. Debt restructuring

The Company had one restructured loans with a recorded value of \$180,203 none of which had an other than temporary impairment or resulted in a capital loss as of December 31, 2013. The Company had three restructured loans with a recorded value of \$705,268 as of December 31, 2012.

C. N/A

D. N/A

E. N/A

6. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

## 7. Investment Income

A. Due and accrued income was excluded on the following basis: The default interest portion and normal interest deemed uncollectable by management on delinquent mortgage loans was excluded. No other interest was excluded.

- (1) \$98,472 of interest was excluded.

8. N/A

9. N/A

**NOTES TO FINANCIAL STATEMENTS**

10. On February 15, 2007, American Savings Life Insurance Company purchased 325,000 shares as 100% ownership of ASL Financial Group, Inc. for \$325,000 in cash and real estate mortgage loans. ASL Financial Group then purchased 300,000 shares as 100% ownership in American Life Financial Corporation for \$300,000 in cash and real estate mortgages loans. American Life Financial Corporation has been formed to increase the company's mortgage investing opportunities and ASL Financial Group is a holding company, which at some future date could serve as a holding company for both American Savings Life Insurance Company as well as American Life Financial Corporation.
11. N/A
12. In 1993, the Company began to sponsor a qualified profit sharing plan available to employees who meet the plan's eligibility requirements. The plan calls for annual discretionary contributions by the Company as determined by the Board of Directors. The 2013 plan contribution was \$55,265.

In October 2007 the Company began an employee compensation in stock benefit plan available to employees, officers or directors. The terms of the plan allows employees, officers or directors to specify up to 50% of their total compensation to be taken as shares of Company stock. The allocation price of the stock is 100% of the (non-audited) GAAP book value for the month preceding enrollment. During 2013, 8,175 shares of American Savings Life Insurance Company common stock have been purchased under the plan for a total of \$28,061. The October 2013 enrollment stock price is \$3.552 per share.

## 13. Capital and Surplus

(1) The Company has 10,000,000,000 shares authorized, 9,246,567 shares issued and 4,794,973 shares outstanding. All shares are American Savings Life Insurance Company common stock.

(2) The Company has no preferred stock.

(3) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Arizona, to the lesser of 10% of its available surplus funds or 100% of the prior years net operating income of the business.

(4) N/A

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(7) N/A

(8) N/A

(9) N/A

(10) The portion of surplus represented or reduced by each item below is as follows:

a. unrealized gains or losses	\$ 53,548
b. nonadmitted asset values	(1,,702,670)
c. separate account business	-0-
d. asset valuation reserve	(1,182,745)
e. reinsurance in unauthorized companies	-0-

(11) N/A

(12) N/A

(13) N/A

14. N/A

15. N/A

16. N/A

17. N/A

18. N/A

19. N/A

## 20. Fair Value Measurements at 12/31/2013

Common Stock	Level 1	Level 2	Level 3
Industrial & Misc.	\$ 545,816		

**NOTES TO FINANCIAL STATEMENTS**

21. G. The Company defines subprime loans as loans with an interest rate above prime and an initial loan to property value above 50%. The Company does not lend above 65% loan to value using this buffer to reduce exposure to loss due to changes in asset value. All amounts held in subprime mortgage loans are:

	Book Adj Value	Fair Value	Value of Land & Buildings
Subprime mortgages in process of foreclosure	\$ 228,321	\$ 228,321	\$ 460,000
Subprime mortgages in good standing	<u>\$19,089,578</u>	<u>\$19,096,112</u>	<u>\$41,699,850</u>
Total subprime mortgages	\$19,317,899	\$19,324,433	\$42,159,850

Two subprime loans with a balance of \$228,321 were in process of foreclosure at December 31, 2013 with no impairment losses. The current default rate for subprime loans is 1.18%

22. N/A

23. N/A

24. N/A

25. N/A

26. N/A

27. N/A

28. N/A

29. For the reporting period ended December 31, 2013, premiums under individual life participating policies were \$55,760 or 38.1% of total life premiums earned. The Company accounts for its policyholder dividends based upon a percentage of Company profits from insurance based on policy reserves. The Company paid dividends in the amount of \$36,980 to policyholders and did not allocate any additional income to such policyholders.

30. N/A

31. A. Unless specifically required by contract, the Company waives deferred fractional premiums subsequent to the death of an insured. Fractional premiums paid beyond the date of death are refunded only when paid in advance beyond a policy anniversary. No surrender value is promised in excess of the reserve as legally computed.

B. Substandard policies are valued at the equal reserve for the rated age (an age greater than the actual age) or where substandard extra premium is required, at the legal reserve plus one-half the annual substandard premium.

C. No policies have a gross premium less than required net premiums.

D. The tabular interest, tabular less actual reserve released and the tabular cost has been determined by formulas described in the instructions for page 7.

E. For the determination of tabular interest on funds not involving life contingencies under page 7, part B, line 3 for each valuation rate of interest, the tabular interest is calculated as one-hundredth of the product of such valuation rate of interest times the mean of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation. The total amount of all such products is entered under page 7, part B, line 3.

F. N/A

32. Withdrawal characteristics of deposit liabilities:

A. Subject to Discretionary Withdrawal - Without Adjustment	Amount	Percent of Total
(2) At book value less current surrender charge of 5% or more	\$21,061,936	76.81%
(5) At book value (no charge or adjustment)	\$6,357,586	23.19%

Reconciliation of Total Deposit Fund Liabilities

(1) Exhibit 5, Annuities, Total (net)	\$21,061,936
(3) Exhibit of Deposit Contracts, line 14	\$6,357,586

33. A. Deferred and uncollected life insurance premiums as of December 31, 2013 were as follows:

Type	Deferred and Uncollected Premiums Gross	Net of Loading
(2) Ordinary new business	414	323
(3) Ordinary renewal	<u>\$14,606</u>	<u>\$11,685</u>
(7) Totals	\$15,020	\$12,008

34. N/A

35. N/A



**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 2013	2 2012	3 2011	4 2010	5 2009
<b>Life Insurance in Force (Exhibit of Life Insurance)</b>					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....	13,329	12,267	12,366	12,508	12,539
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	1,164	1,175	1,156	1,169	1,195
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....					
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	14,493	13,442	13,522	13,677	13,734
<b>New Business Issued (Exhibit of Life Insurance)</b>					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	1,693	474	350	415	610
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....					
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	1,693	474	350	415	610
<b>Premium Income - Lines of Business (Exhibit 1-Part 1)</b>					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	147,287	176,845	140,376	141,088	138,955
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....	6,596,034	3,627,244	929,509	8,202,354	2,395,728
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....					
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....					
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....					
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	6,743,321	3,804,089	1,069,885	8,343,442	2,534,682
<b>Balance Sheet (Pages 2 and 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	47,465,485	40,852,059	36,403,921	34,724,215	25,269,386
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	32,762,743	28,633,138	23,853,533	22,546,278	12,483,793
23. Aggregate life reserves (Page 3, Line 1).....	23,677,003	19,239,693	15,491,686	15,051,219	6,650,274
24. Aggregate A&H reserves (Page 3, Line 2).....					
25. Deposit-type contract funds (Page 3, Line 3).....	6,357,586	6,420,326	5,692,751	5,177,301	3,795,663
26. Asset valuation reserve (Page 3, Line 24.01).....	1,182,745	1,889,247	1,634,716	1,338,911	1,219,059
27. Capital (Page 3, Lines 29 & 30).....	924,657	923,839	923,283	922,607	921,841
28. Surplus (Page 3, Line 37).....	13,778,086	11,295,082	11,627,105	11,255,330	11,863,752
<b>Cash Flow (Page 5)</b>					
29. Net Cash from operations (Line 11).....	7,233,004	5,466,435	2,867,019	9,568,526	3,578,982
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital.....	15,885,487	14,108,168	14,185,104	13,516,848	14,004,652
31. Authorized control level risk-based capital.....	1,313,571	1,197,275	1,002,971	1,049,544	673,850
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0</b>					
32. Bonds (Line 1).....	6.4	5.4	1.4	1.5	2.0
33. Stocks (Lines 2.1 and 2.2).....	1.2	0.1	0.1	1.1	1.6
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....	68.7	70.2	67.5	70.0	71.6
35. Real estate (Line 4.1, 4.2 and 4.3).....	9.5	9.2	10.9	9.2	8.5
36. Cash, cash equivalents and short-term investments (Line 5).....	11.3	13.4	19.7	18.0	15.8
37. Contract loans (Line 6).....	0.2	0.3	0.3	0.3	0.5
38. Derivatives (Line 7).....					.XXX
39. Other invested assets (Line 8).....	2.7	1.5			
40. Receivables for securities (Line 9).....					
41. Securities lending reinvested collateral assets (Line 10).....					.XXX
42. Aggregate write-ins for invested assets (Line 11).....					
43. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0

Annual Statement for the year 2013 of the **American Savings Life Insurance Company**  
**FIVE-YEAR HISTORICAL DATA**

(continued)

	1 2013	2 2012	3 2011	4 2010	5 2009
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Sch. D Summary, Line 12 Col. 1).....					
45. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1).....					
46. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1).....	367,101	333,615	317,153	349,979	353,188
47. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....					
48. Affiliated mortgage loans on real estate .....					
49. All other affiliated.....					
50. Total of above Lines 44 to 49.....	367,101	333,615	317,153	349,979	353,188
51. Total investment in parent included in Lines 44 to 49 above.....					
<b>Total Nonadmitted and Admitted Assets</b>					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	1,702,670	1,833,151	1,784,788	1,394,844	1,367,058
53. Total admitted assets (Page 2, Line 28, Col. 3).....	47,465,485	40,852,059	36,403,921	34,724,215	25,269,386
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income).....	3,481,394	2,953,163	2,578,762	2,171,928	1,878,669
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....	451,408	118,899	72,809	51,329	42,327
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	16,811	46,782	247,262	(445,867)	4,001
57. Total of above Lines 54, 55 and 56.....	3,949,613	3,118,844	2,898,833	1,777,389	1,924,997
<b>Benefits and Reserve Increase (Page 6)</b>					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....	2,089,944	627,697	548,515	195,359	83,663
59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....					
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	(1,058,834)	82,381	(698,330)	31,405	(1,054,667)
61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....					
62. Dividends to policyholders (Line 30, Col 1).....	36,980	37,109	33,270	36,047	34,322
<b>Operating Percentages</b>					
63. 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.....	9.1	11.2	23.8	5.7	13.6
64. 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.....	3.7	4.0	3.2	3.2	2.6
65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....					
66. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....					
67. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....					
<b>A&amp;H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....					
69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....					
70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....					
71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....					
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
72. Industrial life (Col. 2).....					
73. Ordinary - life (Col. 3).....	2,097,201	1,050,388	1,556,972	725,041	1,853,000
74. Ordinary - individual annuities (Col. 4).....	245,695	164,587	214,695	235,644	271,224
75. Ordinary - supplementary contracts (Col. 5).....					
76. Credit life (Col. 6).....					
77. Group life (Col. 7).....					
78. Group annuities (Col. 8).....					
79. A&H - group (Col. 9).....					
80. A&H - credit (Col. 10).....					
81. A&H - other (Col. 11).....					
82. Aggregate of all other lines of business (Col. 12).....					
83. Total (Col. 1).....	2,342,896	1,214,976	1,771,667	960,684	2,124,224

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: