

CERTIFICATION

June 4, 2012

I, Bruce R. Range, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of

Report of Examination of Financial Condition

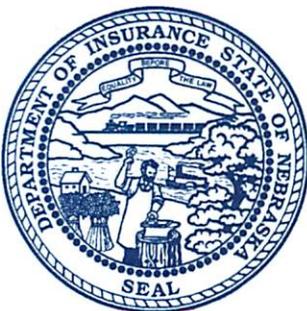
Omaha Life Insurance Company

as of

December 31, 2010

and is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.



Bruce R. Range

DIRECTOR OF INSURANCE

OMAHA LIFE INSURANCE COMPANY

Mutual of Omaha Plaza

Omaha, Nebraska 68175

Report of Association

Financial Condition Examination

as of

December 31, 2010

States Participating

Nebraska

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

JUN 04 2012

FILED

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Omaha, Nebraska
May 7, 2012

Honorable Joseph Torti, III
Chairman, Financial Condition (E) Committee, NAIC
Superintendent of Insurance & Banking
Rhode Island Division of Insurance
1511 Pontiac Avenue, Bldg #69-2
Cranston, Rhode Island 02920

Honorable John M. Huff
Chair, Midwestern Zone, NAIC
Director of Insurance
Missouri Department of Insurance
Fin. Institutions & Prof. Registration
PO Box 690
Jefferson City, Missouri 65102-0690

Honorable Bruce Ramage
Director of Insurance
Nebraska Department of Insurance
941 "O" Street, Suite 400
Lincoln, Nebraska 68508

Sirs:

Pursuant to your instructions and authorizations, pursuant to Neb. Rev. Stat. §44-5904 (1),
an Association Examination has been conducted of the financial condition and business affairs of
the

OMAHA LIFE INSURANCE COMPANY
Mutual of Omaha Plaza
Omaha, Nebraska 68175

(hereinafter also referred to as the "Company") and the report of such examination is respectfully
presented herein.

INTRODUCTION

The Company was last examined as of August 31, 2007, by the State of Nebraska, representing the Midwestern Zone, NAIC, as a qualifying examination. The qualifying examination was performed to ascertain if the Company met the capital, surplus and organizational requirements set forth by Nebraska Law.

The current financial condition examination covered the intervening period to and including the close of business on December 31, 2010, and incorporated such subsequent events and transactions as were deemed pertinent to this report. The State of Nebraska, representing the Midwestern Zone, NAIC, participated in this examination and the preparation of this report.

The same examination staff conducted concurrent financial condition examinations of the Company's ultimate parent, Mutual of Omaha Insurance Company and its subsidiary, Omaha Insurance Company. Concurrent examinations were also conducted on the Company's direct parent, United of Omaha Life Insurance Company, and its subsidiaries: Omaha Reinsurance Company, and United World Life Insurance Company.

SCOPE OF EXAMINATION

This examination was conducted pursuant to and in accordance with both the NAIC Financial Condition Examiners Handbook and Section 44-5904(1) of the Nebraska Insurance Statutes. The Handbook requires that examiners plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by

management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles and annual statement instructions when applicable to domestic state regulations.

A general review was made of the Company's operations and the manner in which its business has been conducted in order to determine compliance with statutory and charter provisions. Its history was traced and has been set out in this report under the caption, "Description of Company". All items pertaining to management and control were reviewed, including provisions for disclosures of conflicts of interest to the Board of Directors and the departmental organization of the Company. The Articles of Incorporation and By-Laws were reviewed, including appropriate filings of any changes or amendments thereto. The minutes of the meetings of the stockholder, Board of Directors and committees, held during the examination period, were read and noted. Attendance at meetings, proxy information, elections of Directors and Officers, approval of investment transactions and authorizations of salaries were also noted.

The fidelity bond and other insurance coverage protecting the Company's property and interests were reviewed. Certificates of Authority to conduct the business of insurance in the various states were inspected and a survey was made of the Company's general plan of operation.

Data reflecting the Company's growth during the period under review is reflected in the financial section of this report under the caption "Body of Report".

Accounting records and procedures were tested to the extent deemed necessary through the risk-focused examination process. Additionally, NAIC IRIS test results were reviewed for all years covered by this examination.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. The examination included a review of work papers prepared by

Deloitte & Touche LLP, the Company's independent auditors, in their examination of the Company's accounts for the year ended December 31, 2010. The auditors' work papers were utilized to assist in determining the scope and areas of emphasis in conducting the examination. The aforementioned utilization of auditors' work papers was performed pursuant to Title 210 (Rules of Nebraska Department of Insurance), Chapter 56, Section 013.

DESCRIPTION OF COMPANY

HISTORY

The Company was incorporated in the State of Nebraska in November 2006 as a wholly-owned subsidiary of United of Omaha Life Insurance Company.

MANAGEMENT AND CONTROL

Holding Company

The Company, being a wholly-owned subsidiary of United of Omaha Life Insurance Company (United), is a member of an insurance holding company system as defined by Nebraska Statute. An organizational listing of active subsidiaries flowing from the "Ultimate Controlling Person", as reported in the 2010 Annual Statement, is represented by the following (subsidiaries are denoted through the use of indentations and all ownership is 100% unless otherwise noted):

- Mutual of Omaha Insurance Company
 - Continuum Worldwide Corporation
 - East Campus Realty, LLC
 - KFS Corporation
 - KFS BD, Inc.
 - KFS IA, Inc.
- Mutual of Omaha Holdings, Inc.
 - Holdings Rowco, Inc.
 - Mutual of Omaha Investor Services, Inc.
 - Mutual of Omaha Marketing Corporation
 - Omaha Insurance Company

Retirement Marketing Solutions, Inc.
Omaha Financial Holdings, Inc.
Mutual of Omaha Bank
CondoCerts.com, Inc.
Mutual of Omaha LoanPro, LLC
The Omaha Indemnity Company
United of Omaha Life Insurance Company
Companion Life Insurance Company
Fulcrum Growth Partners, LLC (80%)
Fulcrum Growth Partners III, LLC (80%)
Omaha Life Insurance Company
Omaha Reinsurance Company
UM Holdings, LLC
UM Holdings II, LLC
UM Holdings III, LLC
United World Life Insurance Company
Mutual of Omaha Foundation

Shareholders

The Company's Articles of Incorporation authorize the issuance of two million (2,000,000) shares of common stock with a par value of one dollar (\$1.00) per share. At December 31, 2010, Company records indicated that 2,000,000 shares were issued and outstanding, which were all owned by United.

During the period covered by this examination, there has been no activity in the capital stock account with the balance remaining at \$2,000,000. In 2007, the Company received a surplus contribution of \$8,126,000 from United.

The By-Laws provide that the annual meeting of the stockholders shall be on or before June 30th each calendar year, for the purpose of receiving the report of its Officers and Directors, to elect Directors whose terms expire, and to transact such other business as may be lawful for it to do.

Board of Directors

The Company's By-Laws state that, "the Board of Directors shall consist of not less than five nor more than fifteen Directors. Not less than one of the Directors shall be a resident of Nebraska". The Board of Directors shall be elected at the annual meeting of the stockholders.

The following persons were serving as Directors at December 31, 2010:

<u>Name and Residence</u>	<u>Principal Occupation</u>
Michelle Ann Lebens Omaha, NE	President, Omaha Life Insurance Company
David Andrew Diamond Omaha, NE	Executive Vice President, Treasurer Mutual of Omaha Insurance Company/United of Omaha Life Insurance Company
Michael Edward Huss Omaha, NE	Senior Vice President, Deputy General Counsel and Corporate Secretary, Mutual of Omaha Insurance Company/United of Omaha Life Insurance Company
Daniel Paul Neary Omaha, NE	Chairman and Chief Executive Officer, Mutual of Omaha Insurance Company/United of Omaha Life Insurance Company
Michael Craig Weekly Omaha, NE	President, United World Life Insurance Company, Executive Vice President, Mutual of Omaha Insurance Company/United of Omaha Life Insurance Company

Directors are elected for one-year terms and do not receive any fees.

Officers

According to the By-Laws, the Officers of the Corporation shall consist of a President, Secretary, Treasurer, and such other Officers as may be required to carry on the business of the corporation.

The following is a partial listing of senior Officers elected and serving the Company at December 31, 2010:

<u>Name</u>	<u>Office</u>
Michele A. Lebens	President
Michael E. Huss	Secretary
David A. Diamond	Treasurer

TRANSACTIONS WITH AFFILIATES

Mutual of Omaha Insurance Company (Mutual) and the Company occupy the same Home Office building and to a great extent the same service areas, service offices and sales offices. Because of this relationship, each company incurs joint operating expenses subject to allocation. In addition, similar facilities and services are provided to other entities within the Holding Company structure.

Regular operating expenses of the companies are paid through the Accounts Payable and Expense Accounting Department of Mutual. In general, these expenses are processed through an electronic allocation system maintained by the Budget and Expense Management Department. This system, through the use of cost centers, allocates operating expenses based on cost drivers such as number of employees, square footage utilized, number of transactions processed, etc., to redistribute operating expenses to product lines within each of the companies receiving the services.

Statistical bases or theories used in allocation formulas are developed by the Finance Operation's staff and reviewed by the companies' external auditors during their annual audit of the expense allocations.

The Company received a capital contribution of \$8,126,000 from its parent, United of Omaha Life Insurance Company, in 2007.

The Company files a consolidated federal income tax return with its ultimate parent, Mutual and its eligible subsidiary companies. Each company's provision for federal income tax expense is based on separate return calculations with credit for net operating losses allowed only as each

company would utilize such losses on a separate return basis. Intercompany tax balances are settled within 45 days of the end of each calendar quarter.

TERRITORY AND PLAN OF OPERATION

As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact business in the State of Nebraska only.

The Company has not sold any business as of the examination date. The Certificate of Authority, granted by the Nebraska Department of Insurance, authorizes the Company to write life insurance.

BODY OF REPORT

GROWTH

The following comparative data reflects the growth of the Company during the period covered by this examination:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Bonds	\$ 1,634,930	\$ 1,635,649	\$ 1,705,980	\$ 1,690,009
Total admitted assets	10,279,582	10,447,892	10,491,000	10,504,230
Aggregate life reserves	0	0	0	0
Total liabilities	42,300	56,495	20,948	19,092
Unassigned funds (surplus)	111,282	265,397	344,052	359,138
Premium income	0	0	0	0
Net investment income	170,882	279,415	135,416	43,023
Net income	111,282	161,714	72,586	11,480
Life insurance in-force	0	0	0	0

FINANCIAL STATEMENTS

The following statement of admitted assets and liabilities, together with the accompanying summary of operations, reflect the financial condition of the Company as of December 31, 2010, and its transactions for the year 2010 as determined through this examination. A reconciliation of the capital and surplus account for the period under review is also included.

FINANCIAL STATEMENT December 31, 2010

<u>Assets</u>	<u>Ledger Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$ 1,690,009		\$ 1,690,009
Cash and cash equivalents	<u>8,807,695</u>	<u> </u>	<u>8,807,695</u>
Subtotals, cash and invested assets	\$10,497,704		\$10,497,704
Investment income due and accrued	4,450		4,450
Net deferred tax asset	<u>2,076</u>	<u> </u>	<u>2,076</u>
Totals	<u>\$10,504,230</u>	<u>\$ 0</u>	<u>\$10,504,230</u>
 <u>Liabilities, Surplus and Other Funds</u>			
Current federal and foreign income taxes			\$ 3,422
Remittances and items not allocated			3,666
Payable to parent, subsidiaries, and affiliate			<u>12,004</u>
Total liabilities			<u>\$ 19,092</u>
Common capital stock			\$ 2,000,000
Gross paid in and contributed surplus			8,126,000
Unassigned funds (surplus)			<u>359,138</u>
Total capital and surplus			<u>\$10,485,138</u>
Total			<u>\$10,504,230</u>

SUMMARY OF OPERATIONS – 2010

Net investment income	<u>\$43,023</u>
Total	<u>\$43,023</u>
General insurance expenses	\$19,396
Insurance taxes, licenses and fees	<u>648</u>
Total	<u>\$20,044</u>
Net gain from operations before federal income taxes	\$22,979
Federal income taxes incurred	<u>11,499</u>
Net income	<u>\$11,480</u>

CAPITAL & SURPLUS ACCOUNT

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Capital and surplus, beginning	\$ <u>1,000</u>	<u>\$10,237,282</u>	<u>\$10,391,397</u>	<u>\$10,470,052</u>
Net income	\$ 111,282	\$ 161,714	\$ 72,586	\$ 11,480
Change in net deferred income				
Tax		(748)	(632)	3,456
Change in non-admitted assets				
Change in asset valuation reserve		(6,851)	6,701	150
Capital changes paid in	1,999,000			
Surplus adjustment paid in	<u>8,126,000</u>	<u> </u>	<u> </u>	<u> </u>
Net change for the year	<u>\$10,236,282</u>	<u>\$ 154,115</u>	<u>\$ 78,655</u>	<u>\$ 15,086</u>
Capital and surplus, ending	<u>\$10,237,282</u>	<u>\$10,391,397</u>	<u>\$10,470,052</u>	<u>\$10,485,138</u>

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of \$359,138, as reported in the Company's 2010 Annual Statement, has been accepted for purposes of this report. Examination findings, in the aggregate, were considered to have no material effect on the Company's financial condition.

COMPLIANCE WITH PREVIOUS RECOMMENDATIONS

No recommendations were made as a result of the qualifying examination.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

There were no findings warranting comment as a result of this examination.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

There were no comments or recommendations made as a result of this examination.

ACKNOWLEDGEMENT

The courtesy and cooperation extended by the Officers and employees of the Company is hereby acknowledged.

In addition to the undersigned, Bob Gardner, CFE, Linda Scholl, CFE, Wade Fleischacker, Elizabeth Hofker, Erin Marsh, Kim Shannon, Emily Turek, Financial Examiners; Gary Evans, CFE, CISA, AES, Information Systems Specialist; and Daniel Eckstein, ASA, CIE, Actuarial Examiner, all with the Nebraska Department of Insurance, participated in this examination and assisted in the preparation of this report.

Respectfully submitted,



Isaak Russell, CFE
Supervisory Examiner
Department of Insurance
State of Nebraska
Representing Midwestern Zone, NAIC

State of Nebraska,

County of Lancaster,

Isaak Russell, being duly sworn, states as follows:

1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of Omaha Life Insurance Company (OLIC)
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of OLIC was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

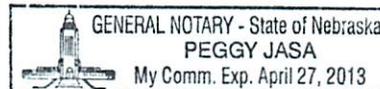
The affiant says nothing further.

Isaak Russell
Examiner-in-Charge's Signature

Subscribed and sworn before me by Isaak Russell on this 5th day of June, 2012.

(SEAL)

Peggy Jasa
Notary Public



My commission expires 4-27-13 [date].

Omaha Life Insurance Company

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The undersigned hereby states under oath that he/she is a duly appointed and qualified member of the Board of Directors of Omaha Life Insurance Company and has received a copy of the Report of Examination of Financial Condition as of December 31, 2010, conducted by the State of Nebraska, representing the Midwestern Zone, NAIC and which was dated and placed on file as of June 4, 2012.

David A. Diamond
Print Name


Signature

6/27/12
Date

Omaha Life Insurance Company

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The undersigned hereby states under oath that he is a duly appointed and qualified member of the Board of Directors of Omaha Life Insurance Company and has received a copy of the Report of Examination of Financial Condition as of December 31, 2010, conducted by the State of Nebraska, representing the Midwestern Zone, NAIC and which was dated and placed on file as of June 4, 2012.

Michael E. Huss
Print Name


Signature

Date

Omaha Life Insurance Company

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

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Michelle A. Lebens
Print Name

Michelle A. Lebens
Signature

6/26/12
Date

Omaha Life Insurance Company

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The undersigned hereby states under oath that he is a duly appointed and qualified member of the Board of Directors of Omaha Life Insurance Company and has received a copy of the Report of Examination of Financial Condition as of December 31, 2010, conducted by the State of Nebraska, representing the Midwestern Zone, NAIC and which was dated and placed on file as of June 4, 2012.

 Daniel P. Neary
 Print Name

 Daniel P. Neary
 Signature

 20/30/12
 Date

Omaha Life Insurance Company

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The undersigned hereby states under oath that he/she is a duly appointed and qualified member of the Board of Directors of Omaha Life Insurance Company and has received a copy of the Report of Examination of Financial Condition as of December 31, 2010, conducted by the State of Nebraska, representing the Midwestern Zone, NAIC and which was dated and placed on file as of June 4, 2012.

Michael C Weekly
Print Name

Michael C Weekly
Signature

6/27/12
Date