CERTIFICATION

June 27, 2014

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

Financial Examination Report of

AMERITAS LIFE INSURANCE COMPANY

as of

December 31, 2012

The report 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.

STATE OF NEBRSKA
DEPARTMENT OF INSURANCE
JUN 27 2014
FILED

SEAL

Bruce R. Ramge
DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Take notice that the proposed report of the financial examination of

AMERITAS LIFE INSURANCE CORP.

dated as of December 31, 2012, verified under oath by the examiner-in-charge on June 10, 2014, and received by the company on June 24, 2014, has been adopted without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3)(a).

Dated this 26 day of June, 2014.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Justin Schrader
Chief Financial Examiner

STATE OF NEBRASKA

Department of Insurance

EXAMINATION REPORT

OF

Ameritas Life Insurance Corp.

as of

December 31, 2012

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Lincoln, Nebraska
May 22, 2014

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

Honorable Thomas B. Leonardi
Chair, Northeast Zone, N.A.I.C
Connecticut Insurance Department
153 Market Street, 7th Floor
Hartford, Connecticut 06103

Honorable Ted Nickel
Chair, Midwest Zone, N.A.I.C.
Commissioner of Insurance
State of Wisconsin
Office of the Commissioner of Insurance
125 South Webster Street
Madison, Wisconsin 53703-3474

Honorable Chester A. McPherson
Interim Commissioner of Insurance
Government of the District of Columbia
Department of Insurance, Securities, and Banking
810 First Street, N.E., Suite 701
Washington, DC 20002

Honorable Bruce R. Ramge
Director of Insurance
Nebraska Department of Insurance
941 “O” Street, Suite 400
Lincoln, Nebraska 68508

Dear Sirs:

Pursuant to your instruction and authorizations, and in accordance with statutory requirements, an examination has been conducted of the financial condition and business affairs of:

AMERITAS LIFE INSURANCE CORP.
5900 "O" Street
Lincoln, Nebraska 68510

(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 December 31, 2008, by the State of Nebraska. The current financial condition examination covered the intervening period to and including, the close of business on December 31, 2012, and includes such subsequent events and transactions as were considered pertinent to this report. The State of Nebraska and the District of Columbia, participated in this examination and assisted in the preparation of this report. The same examination staff conducted concurrent financial examinations of the Company's affiliates The Union Central Life Insurance Company (Union Central), and Acacia Life Insurance Company (Acacia).

SCOPE OF EXAMINATION

This examination was conducted pursuant to and in accordance with both the NAIC Financial Condition Examiners Handbook (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, but not limited to: 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 and management's compliance with Statutory Accounting Principles and Annual Statement Instructions, when applicable to domestic state regulations.

The examination was completed under coordination of the holding company group approach with the State of Nebraska Department of Insurance as the coordinating state and the District of Columbia Department of Insurance, Securities, and Banking. The companies examined under this approach benefit to a large degree from common management, systems and processes, and internal control and risk management functions that are administered at the consolidated or business unit level.

The coordinated examination applies procedures sufficient to comprise a full scope financial examination of each of the companies in accordance with the examination procedures and standards promulgated by the NAIC and by the respective state insurance departments where the companies are domiciled. The objective is to enable each domestic state to report on their respective companies' financial condition and to summarize key results of examination procedures.

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. The Company's 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 disclosure 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 shareholder, Board of Directors and committees, held during the examination period, were read and noted. Attendance at meetings, proxy information, election of Directors and Officers, approval of investment transactions and authorizations of salaries were also noted.

The fidelity bond and other insurance coverages protecting the Company’s property and interests were reviewed, as were plans for employee welfare and pension. 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, as developed from the Company's filed annual statements, is reflected in the financial section of this report under the caption ‘Body of Report”.

The Company's reinsurance facilities were ascertained and noted, and have been commented upon in this report under the caption “Reinsurance”. Accounting records and procedures were tested to the extent deemed necessary through the risk-focused examination process. The Company’s method of claims handling and procedures pertaining to the adjustment and payment of incurred losses were also noted.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This included a review of workpapers prepared by Deloitte and Touche, LLP, the Company’s external auditors, during their audit of the Company’s accounts for the years ended December 31, 2011 and 2012. Portions of the auditor’s workpapers have been incorporated into the workpapers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination. This utilization was performed pursuant to Title 210 (Rules of the Nebraska Department of Insurance), Chapter 56, Section 013.

Any failure of items to add to the totals shown in schedules and exhibits appearing throughout this report is due to rounding.

DESCRIPTION OF COMPANY

HISTORY

The Company was organized under the laws of the State of Nebraska on April 6, 1887, as a capital stock legal reserve life insurance company and commenced business on May 6 of that same year. It was subsequently reorganized with appropriate approvals as a mutual legal reserve life insurance company. The mutualization was completed on December 31, 1949. The Articles of Incorporation provide that the Company shall have perpetual existence.

The Company entered into the accident and health field in 1953 and subsequently commenced writing group accident and health insurance in 1959. In 1975, it significantly reduced its marketing of group accident and health insurance, with the exception of dental and eyecare programs which were expanded and have subsequently become a major product in the Company's insurance portfolio.

The Company operated under the name of Bankers Life Insurance Company of Nebraska until the July 1, 1988 amendment to its Articles of Incorporation. Paragraph one of Article I, as amended, states that, "the name of the Company is and shall continue to be Ameritas Life Insurance Corp. by which name, or by the name of Ameritas Financial Services or Bankers Life Insurance Company of Nebraska, which it may in its discretion and where permitted use as its style and mark, it shall conduct its business."

Effective January 1, 1998, the Company converted from a mutual insurance company structure to a mutual holding company structure pursuant to Chapter 61, Insurers Demutualization Act, of the Nebraska Insurance Laws as amended in the 1997 legislative session. The Director of Insurance of the State of Nebraska approved the conversion plan in October of 1997 with the policyholders of the Company approving the conversion in December of 1997.

On December 30, 2005, Veritas Corp, a subsidiary of the Company, was dissolved into the Company. Effective January 1, 2006, Ameritas Acacia Mutual holding Company and Union Central Mutual Holding Company merged to form UNIFI Mutual Holding Company (UNIFI). In a concurrent event Union Central was converted from an Ohio mutual life insurance company to an Ohio stock life insurance company, wholly owned by the newly formed UNIFI. Also in a concurrent event, the capital stock of Union Central was contributed to UNIFI's wholly-owned holding Company, Ameritas Holding Company (AHC).

Effective September 1, 2006, AMAL Corporation (AMAL) repurchased its outstanding shares of stock from Acacia Life and Acacia Financial Corporation, and issued two notes payable, and became a wholly owned subsidiary of the Company. Effective September 30, 2006, AMAL was dissolved into its parent, the Company. Prior to September 1, 2006, the Company owned 85.77% of AMAL, which in turn wholly owned Ameritas Variable Life Insurance Company (Ameritas Variable), The Advisors Group (TAG) and 66.41% of Ameritas Investment Corp. Acacia owned 14.23% of AMAL prior to September 1, 2006. On May 1, 2007 Ameritas Variable was merged with the Company.

Effective November 30, 2006, TAG was dissolved into the Company. On June 30, 2007, Ameritas Investment Advisors, Inc, a subsidiary of the Company was sold to AHC, the Company's immediate parent and renamed to Summit Investment Advisors, Inc.

Effective July 3, 2007 the Company purchased 100% of the outstanding common stock of LifeRe Corporation, a Texas domiciled holding company, which owned 100% of LifeRe Insurance Company, a Texas domiciled life, accident and health insurance company. Subsequent to the purchase, on November 7, 2007, LifeRe Corporation was dissolved into the

Company, which became 100% owner of LifeRe Insurance Company. Effective October 1, 2008, LifeRe Insurance Company, was merged with the Company.

On April 17, 2009, the Ohio Department of Insurance approved Union Central becoming a wholly owned subsidiary of the Company. On April 22, 2009, the Nebraska Department of Insurance approved the re-domestication of Union Central from Ohio to Nebraska. Together, these two actions resulted in the reorganization of Union Central as a Nebraska subsidiary of the Company effective April 22, 2009 of which the statement value of Union Central stock that was transferred to the Company was $127,357,586 at the valuation date of March 31, 2009.

Effective December 15, 2009, the Department of Insurance and Securities Regulation of the District of Columbia approved Acacia becoming a wholly owned subsidiary of the Company. Acacia was transferred to the Company from AHC, an affiliate and parent of the Company, at the statement value of the Acacia stock of $324,729,989 at the valuation date of September 30, 2009.

Effective May 2, 2012 The UNIFI name was changed to Ameritas Mutual Holding Company (AMHC).

MANAGEMENT AND CONTROL

Holding Company

The Company is a member of an insurance holding company system as defined by Nebraska Statute. An organizational listing flowing from the "Ultimate Controlling Person" as reported in the 2012 Annual Statement, is represented by the following (subsidiaries are denoted through the use of indentations, and unless otherwise indicated, all subsidiaries are 100% owned):

- Ameritas Mutual Holding Company
  - Ameritas Holding Company
    - Summit Investment Advisors, Inc.
      - Ameritas Mortgage Funding, Inc.
    - Paycor, Inc. (19.27%)
    - Ameritas Life Insurance Corp.
      - Ameritas Investment Corp (80%)
      - Ameritas Life Insurance Corp. of New York
      - Ameritas Charitable Foundation (controlling interest)
      - Brokers National Life Assurance Company
      - The Union Central Life Insurance Company
        - PRBA, Inc.
          - PRB Administrators, Inc.
      - Acacia Life Insurance Company
        - Griffin Realty, LLC
          - Estate of Marlboro Riding, LLC
        - Acacia Federal Savings Bank (85.21% Acacia, 14.79% the Company)
        - Calvert Investments, Inc.
          - Calvert Investment Management, Inc.
          - Calvert Investment Administrative Services, Inc.
          - Calvert Investment Distributors, Inc.
          - Calvert Investment Services, Inc.
        - The Acacia Foundation (controlling interest)

Shareholder

Article VI, Section 1 of the Company’s Amended and Restated Articles of Incorporation provides that, “the annual meeting of the shareholders shall be held at the Home Office of the Company on such day and at such time of day as may be determined by the Board of Directors, but in no event later than June 30, of each year.”

Article IV, Section 1 of the Company’s Amended and Restated Articles of Incorporation provides that, “the total number of shares which the Company has authority to issue is 25 million shares of capital stock, having a par value of $0.10 per share.” All of the issued capital stock of the Company is held by AHC, an intermediate holding company in the AMHC structure.

The Company paid ordinary common stock dividends totaling $25 million, $20 million, and $50 million during 2009, 2011 and 2012, respectively, to its immediate parent, AHC.

The Company received a common stock dividend in the amount of $10 million from subsidiary Acacia on December 17, 2012.

On September 30, 2009, a $25 million surplus note issued by Union Central to the Company as a part of an intercompany surplus note agreement, was cancelled and reclassified as a capital contribution to Union Central.

Board of Directors

Article V, Section 1, of the Amended and Restated Articles of Incorporation, provides that, "the business and affairs of the Corporation shall be conducted by a Board of Directors numbering not less than seven, as the By-Laws of the Company shall provide. At least three Directors shall be residents of Nebraska. The term of office of each Director shall be one year and until his or her successor shall be elected and qualified."

The following persons were serving as Directors at December 31, 2012:

Name and Residence	**Principal Occupation**
James Philip Abel Lincoln , Nebraska	Chairman and Chief Executive Officer, NEBCO, Inc.
James Reuben Krieger Lincoln, Nebraska	Vice Chairman and Chief Financial Officer, The Gallup Organization
JoAnn Marie Martin Lincoln, Nebraska	President and Chief Executive Officer, Ameritas Life Insurance Corp.
Francis Victor Mastrianna, J.D. Naples, Florida	Dean Emeritus, College of Information Science & Business Administration, Slippery Rock University
Tonn Mitchell Ostergard Lincoln, Nebraska	President and Chief Executive Officer, Crete Carrier Corporation

Name and Residence	**Principal Occupation**
Kim Marie Robak Lincoln, Nebraska	Senior Partner, Mueller Robak, LLC
Paul Carl Schorr, IV Lincoln, Nebraska	Chairman and Founding Managing Partner, Augusta Columbia Capital Group

Officers

Article IV of the Company's Amended and Restated By-Laws provides that, "the Officers of the Corporation shall be a Chair of the Board, a Chief Executive Officer, a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Such other Officers and assistant Officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except that the Chairman or President cannot also hold the office of Secretary, Treasurer or Vice President."

The following is a listing of Senior Officers elected and serving the Company at December 31, 2012:

Name	**Title**
JoAnn Marie Martin	President and Chief Executive Officer
William Wallace Lester	Executive Vice President and Corporate Treasurer
Robert Carl Barth	Senior Vice President and Chief Financial Officer
Linda Ann Whitmire	Vice President and Financial Actuary
John Thomas Burkhard	Senior Vice President, Chief Distribution Officer, Individual
Nancy Arline Dalessio	Senior Vice President and Chief Information Officer
Karen Mae Gustin	Senior Vice President, Group Field Sales, National Accounts and Broker Blocks
Cheryl Lynn Heilman	Senior Vice President, Individual Operations
Arnold Delos Henkel	Senior Vice President, Individual Strategic Alliances
Dale Donald Johnson	Senior Vice President and Corporate Actuary

Name	**Title**
Robert Michael Jurgensmeier	Senior Vice President, Chief Actuary, Individual
Paul Robert Kocher	Senior Vice President, Business Development
Bruce Everett Mieth	Senior Vice President, Group Customer Connections and Operations
James Mikus	Senior Vice President and Chief Investment Officer
Lisa Ann Mullen	Senior Vice President, Individual Financial Operations
Robert-John Hamilton Sands	Senior Vice President and Corporate Secretary
Janet Lynn Schmidt	Senior Vice President, Director of Human Resources
James Daniel Schulz	Senior Vice President, Retirement Plans
Timothy Lynn Stonehocker	Executive Vice President
Steven Joseph Valerius	President, Individual Division
Kenneth Lee VanCleave	President, Group Division
Paul Gordon Wesling	Senior Vice President, Individual Disability Product Manager
Susan Kay Wilkinson	Senior Vice President, Planning and Risk Management

TRANSACTIONS WITH AFFILIATES

Residential Mortgage Loans

On December 31, 2012, in conjunction with the anticipated sale of Acacia Federal Savings Bank (AFSB) in 2013, the Company purchased residential mortgage loans from AFSB for $130,766,172, and real estate of $1,329,505, which represented the fair value of these loans and real estate. The residential mortgage loans and real estate were recorded by the Company at their fair value. Additionally on this date and in conjunction, the Company made a capital contribution of $1,066,718 to AFSB. The Company received a common stock dividend in the amount of $1,478,633 from AFSB on April 30, 2012.

Tax Allocation Agreement

The Company is party to a Tax Allocation Agreement and files a consolidated federal income tax return with its ultimate parent, AMHC. This agreement generally specifies separate return calculation with current credit for net operating losses, net capital losses, and/or credits which are used to reduce the portion of the consolidated tax liability.

Asset Allocation Investment Advisory Agreement

Effective January 1, 2011 the Company entered into an Amended and Restated Asset Allocation Investment Advisory Agreement with Ameritas Investment Corp. (AIC), and included Union Central. Both the Company and Union Central had previous asset allocation agreements with AIC, which replace and are superseded by this agreement. Under the terms of the agreement, AIC has agreed to act solely in the capacity of registered investment advisor for purposes of providing asset allocation models to policyholders who elect to participate in the Asset Allocation Program available for use with certain variable life insurance policies and variable annuities offered by the Company and Union Central.

Administrative Services Agreement

Effective January 1, 2011, employees of the Company's affiliates, Union Central, Acacia, and Ameritas Life Insurance Corp. of New York (Ameritas New York) became employees of the Company, making the Company the primary provider of all technical, financial, legal, and marketing support. The Company provides and receives this technical, financial, legal, and marketing support to and from its affiliates under a General Administrative Services Agreement.

The General Administrative Services Agreement includes the Company and the following as parties to the agreement: AHC, Acacia, Union Central, Summit Investment Advisors, Inc. (Summit), AIC, PRBA, Inc., Union Central Mortgage Funding, Inc., Calvert Group, LTD, and AFSB. This agreement was amended and effective January 1, 2011 and succeeds all existing administrative service agreements between any of the parties, listed above, in the agreement. Under the terms of the agreement, the Company is to provide the other participating parties with administrative support services. It also arranges for other administrative support services to be provided by and among the various parties as necessary and appropriate from time to time. These services include: policy administration, claims administration, information management support and the development and maintenance of software, management, administrative, legal, accounting, information technology, and keeping of books and records showing financial condition. The agreement provides for payment on a monthly basis based on fair and reasonable charges or fees for services as agreed and appropriately documented by the parties. This agreement had an initial term of one year and will automatically renew for successive one-year periods.

Investment Advisory Agreement

Effective April 1, 2009, a second Amended and Restated Investment Advisory Agreement was entered into by the Company with the following affiliated companies: Summit, AHC, Acacia, Pathmark Administrators, Inc., Union Central, and Acacia Financial Corp. The agreement amends, restates, and succeeds all previously existing investment advisory agreements between any of the parties to the agreement. Summit, in carrying out its obligations under the agreement to manage the investment and reinvestment of the assets of the companies, shall: perform research and evaluate pertinent economic, statistical, and financial data relevant to the investment policies of the companies, consult with the respective boards of directors, and furnish recommendations to these boards with respect to investment strategy and report results, seek out and implement specific investment opportunities consistent with the various investment strategies of the companies, and maintain all accounts, records, memoranda, etc., related to the acquisition and disposition of investments for the companies. As compensation for its advisory services, each company and the advisor shall receive fair and reasonable fees for such services, the specifics of which, including expenses, shall be from time to time agree upon and documented by the parties through their respective boards of directors. The agreement provides for calculation of fees due within 30 days of the end of each quarter and payment within ten days of the invoice date. This agreement had an initial term of one year and will automatically renew for successive one-year periods. The amendments to this agreement consisted of updating the compensation schedule basis points.

Service Agreement – Portfolio Maintenance

A service agreement was entered into on May 1, 2010 between the Company, Summit, and Union Central. The services provided by Summit are to fund specific model portfolios, annual model portfolio reassessment and periodic model portfolio evaluations for each product offering, asset class level allocation weightings, and an asset allocation questionnaire. The product offering covered by this agreement are individual variable products offered by the Company and Union Central as well as Advantage Advisory Program in the Retirement Plans division. Compensation to Summit will consist of the following: 1.5 basis points of assets contained in the portfolios in the models utilized in the product offerings, or a minimum quarterly fee of $18,750 for fund selection for model portfolios , a one-time fee of $5,000 for the development of the asset class weightings for the product offerings. The agreement had an initial term of three years and automatically renews for successive one-year terms.

Service Agreement – Brokers National Life Assurance Company

A service agreement was entered into between Brokers National Life Assurance Company (Brokers), Summit, and the Company, effective December 31, 2011. The agreement is an administrative services agreement between Brokers and the Company as well as an investment advisory service agreement between Brokers and Summit. The Company is to provide such services as policy administration and other insurance operation support services, claims administration, information management support, the development and maintenance of software, provide all management, administrative, legal, accounting, information technology, and other services, advice, and other accommodations reasonably necessary , and any other specific duties and services that are to be agree upon and documented. Summit will provide investment advisory services to Brokers subject to the supervision of the Board of Directors or a committee designated to manage investment and reinvestment of the assets of Brokers. The Company will be paid the actual costs allocated on pertinent and applicable units of activities such as policies issued, policies in force, and policies underwritten. Summit is paid a variable a variable quarterly compensation of 25 basis points applied against Broker's invested assets. Fees will be calculated quarterly and due within ten days of the invoice date. The agreement initially remained in effect for one year and renews automatically for one-year terms.

<u>TERRITORY AND PLAN OF OPERATION</u>

As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact the business of insurance in the District of Columbia, and all states except New York. The Company and its affiliated insurance companies – Ameritas New York, Acacia and Union Central – are part of AMHC, whose core strength lies within its insurance companies. Under the Ameritas brand, the mutual organization offers insurance, retirement and financial products and services to individuals, families and businesses. The Company maintains a diversified operating profile through these operating business segments: individual, group, retirement plans and financial subsidiaries. The Company has a broad product portfolio, including permanent life insurance, term life insurance, variable life insurance, universal life insurance, fixed annuities, indexed annuities, variable annuities, disability income insurance, group retirement plans, investments, and dental, vision and hearing care insurance.

The individual division offers life insurance, disability income insurance and annuities. For businesses and their employees, the retirement plans division markets group annuities to the small- and mid-sized 401(k) employer market. The Company markets products in all states and the District of Columbia, except New York, using a multi-channel platform that includes core general agencies and strategic alliances.

The group division offers group dental and vision, with hearing care insurance complementing the product portfolio. Group dental products include Dental Rewards, offering a rollover benefit maximum to plan participants; FUSION combines dental and vision benefits and a lasik surgery insured benefit rider has been added to the dental product. Captive distribution within the group division consists of approximately 86 sales associates operating within 27 regional sales offices nationwide and a number of strategic partnership alliances, third party administrators and brokerage general agency channels.

REINSURANCE

Assumed Life

Effective July 26, 2010, The Company entered into a reinsurance agreement with Ameritas New York to reinsure Ameritas New York's universal life policies on a Monthly Renewable Term excess over retention basis. All risks in excess of the AMHC combined retention is reinsured with a second excess pool of reinsurers.

Assumed Accident and Health

The Company assumed business through three large automatic quota share reinsurance treaties covering vision and dental indemnity programs offered to employers and/or individuals by the reinsured companies. This business is written on the reinsured's policy forms but is subject to the provisions of the reinsurance agreements. Administrative agreements accompany these treaties whereby marketing, underwriting and administrative services are made available by the Company. Quota share percentages on these treaties cover between 15% and 100% of the subject business, depending on the specific terms of each treaty.

Ceded Life

The Company has a 90% first dollar quota share arrangement for most permanent life policies issued from June 2000 through December 2005, in addition to low load variable universal life policies issued prior to June 2000. The net amount at risk for most permanent life policies issued prior to June 2000 or after 2005 is reinsured to the extent that it exceeds the Company's retention limit applicable at the time of issue. The current retention limit for most permanent life plans is $2 million, which became effective in 2006.

First dollar quota share reinsurance on term life policies began in April 1996 with 80% reinsured and was later changed to 90%, which is still in use for most term life policies. The Company began using quota share reinsurance to take advantage of favorable prices being offered in the reinsurance market. Excess of retention reinsurance coverage was used for term products introduced prior to 1996. A certain block of annually renewable term (ART) policies have a 50% quota share reinsurance arrangement. Beginning September 2011, the ART and 10-year level term plans are reinsured on a YRT excess basis.

The enhancement to guaranteed minimum death benefits on most variable annuity plans is fully reinsured, except there is a cap on the reinsured amount for some of the more recently issued policies. There is no reinsurance on variable annuities issued after December 31, 2008.

The Company entered into an accidental death carveout reinsurance agreement effective July 1, 2006 whereby the net amount at risk retained by the Company is reinsured against accidental death and catastrophe/terrorism, including NBC (nuclear, biological and chemical).

Effective January 1, 2010, the Accidental Death Carveout agreement was changed from a "ground up" to a $3 million "inter aggregate" arrangement. Under this arrangement, the four affiliated insurance companies under AMHC, would need to incur, annually, $3 million of accidental death claims combined before any reinsurance benefits are paid.

Ceded Disability

Fully underwritten individual disability insurance and business overhead expense policies are ceded on a coinsurance basis to Gen Re Life Corporation (Gen Re) and Munich American Life Assurance Company (Munich). Amounts in excess of $5,000 of monthly benefit for individual disability, and in excess of $8,000 of monthly benefits for business overhead expense policies are ceded 50/50 between Gen Re and Munich.

Lump Sum Policies are ceded to Gen Re on a coinsurance basis with the first $25,000 of benefits retained. 60% of amounts in excess are reinsured.

Guaranteed standard issue policies are ceded to Gen Re on a first dollar quota share basis with 75% retained up to a max retention of $6,667.

The Company also has other ceded life reinsurance arrangements, generally covering policy forms no longer issued. These contracts remain in effect on a run-off basis.

General

In the course of reviewing the Company's reinsurance agreements, several agreements included offset clauses which appeared to allow for the offset of balances amongst different agreements and reinsurers. SSAP 64, paragraph 2(d) of the NAIC Accounting Practices and Procedures Manual requires that the right to offset be enforceable by law. Title 210 (Nebraska Department of Insurance Rules and Regulations), Chapter 57, Section 004.01(i) states that no insurer shall reduce any liability or asset in any financial statement filed with the Department if the ceding insurer is required to make representations or warranties not reasonably related to the business being reinsured. It is recommended that the Company ensure agreements executed in the future comply with SSAP 64, paragraph 2(d) and Title 210 (Nebraska Department of Insurance Rules and Regulations), Chapter 57, Section 004.01(i).

The examination noted two reinsurance agreements entered into during the examination period per the Company's Annual Statement, Schedule S, which were not fully executed. Title 210 (Nebraska Department of Insurance Rules and Regulations), Chapter 57, Section 005.02 requires reinsurance agreements to be executed, including signed, within a reasonable timeframe, not exceeding 90 days from the execution date. It is recommended that the Company ensure all reinsurance contracts are in writing and signed pursuant to Title 210 (Nebraska Department of Insurance Rules and Regulations), Chapter 57, Section 005.02.

All contracts reviewed contained standard insolvency, arbitration, errors and omissions, and termination clauses where applicable. All contracts contained the clauses necessary to assure reinsurance credits could be taken.

BODY OF REPORT

GROWTH

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

	2009	2010	2011	2012
Bonds and stocks	$2,491,032,092	$2,615,436,979	$2,699,398,045	$2,742,327,569
Admitted assets excluding Separate Accounts	3,271,948,855	3,389,052,753	3,605,585,136	3,775,909,246
Aggregate life reserves	1,725,128,458	1,742,731,676	1,834,178,723	2,037,266,015
Aggregate A&H reserves	3,249,348	2,976,937	3,211,500	656,513
Deposit type contracts	197,409,083	198,501,700	205,982,042	210,598,654
Total liabilities excluding Separate Accounts	2,022,951,760	2,058,176,166	2,256,436,797	2,477,492,434
Capital and surplus	1,248,997,095	1,330,876,587	1,349,148,339	1,298,416,812
Premiums and annuity considerations	1,227,602,155	1,154,124,534	1,264,985,099	1,494,520,423
Net investment income	119,619,279	126,855,733	161,137,716	128,560,106
Total policy and contract benefits	927,322,261	972,924,914	1,038,617,000	1,062,549,257
Dividends to policyholders	8,244,785	8,968,656	8,320,590	8,430,459
Net income	49,927,139	77,947,567	26,186,609	28,215
Life insurance in force (in thousands)	18,690,110	17,545,314	18,090,560	22,864,991

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, 2012, and its transactions for the year 2012 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, 2012

Assets

	Assets	Assets Not Admitted	Net Admitted Assets
Bonds	$1,692,489,515		$1,692,489,515
Preferred stocks	8,039,194		8,039,194
Common stocks	1,041,798,860		1,041,798,860
Mortgage loans on real estate	569,496,331		569,496,331
Property occupied by the company	22,684,314		22,684,314
Properties held for the production of income	30,040,094	$ 78,419	29,961,675
Properties held for sale	697,410		697,410
Cash and short-term investments	76,332416		76,332,416
Contract loans	97,896,519	660,945	97,235,574
Derivatives	4,214,871		4,214,871
Other invested assets	96,607,882	1,848,043	94,759,839
Receivables for securities	1,519,527		1,519,527
Subtotals, cash and invested assets	$3,641,816,933	$ 2,587,407	$3,639,229,526
Investment income due and accrued	24,335,095	34,742	24,300,353
Uncollected premiums and agents' balances	26,349,042	327,993	26,021,049
Deferred premiums and agents' balance	9,510,307		9,510,307
Amounts recoverable from reinsurers	752,412		752,412
Other amounts receivable under reinsurance contracts	727,858		727,858
Amounts receivable relating to uninsured plans	7,334,568		7,334,568
Federal income tax recoverable	10,165,388		10,165,388
Net deferred tax asset	79,571,072	42,072,791	37,498,281
Guaranty funds receivable or on deposit	982,506		982,506
Electronic data processing equipment and software	10,414,353	7,916,165	2,498,188
Furniture and equipment	3,528,704	3,528,704	
Receivables from parent, subsidiaries and affiliates	30,621,515	15,990,399	14,631,116
Health care and other amounts receivable	9,281,889	7,024,195	2,257,694
Unearned annualized commissions	10,710,464	10,710,464	
Other assets	7,000,000	7,000,000	
Miscellaneous receivables	225,969	225,969	
Prepaid expenses	3,378,491	3,378,491	
Total assets excluding Separate Accounts	$3,876,706,566	$100,797,320	$3,775,909,246
From Separate Accounts	4,222,022,784		4,222,022,784
Totals	$8,098,729,350	$100,797,320	$7,997,932,030

Liabilities, Surplus and Other Funds

Aggregate reserve for life contracts	$2,037,266,015
Aggregate reserve for accident and health contracts	656,513
Liability for deposit-type contracts	210,598,654
Life contract claims	9,685,509
Accident and health contract claims	33,179,630
Policyholder dividends	1,985
Dividends apportioned for payment	8,469,000
Premiums and annuity considerations received in advance	5,145,086
Provisions for experience rating funds	4,586,191
Other amounts payable on reinsurance	3,373,121
Interest maintenance reserve	8,538,445
Commissions to agents due or accrued	3,760,391
General expenses due or accrued	46,606,590
Transfers to Separate Accounts due or accrued	(63,366,800)
Taxes, licenses and fees due or accrued	5,446,513
Unearned investment income	28,450
Amounts withheld or retained by company as agent or trustee	1,701,290
Amounts held for agents' account	3,429,526
Remittances and items not allocated	29,055,318
Liability for benefits for employees and agents	45,488,924
Borrowed money and interest thereon	313,832
Asset valuation reserve	64,266,079
Reinsurance in unauthorized companies	20,444
Payable to parent, subsidiaries and affiliates	4,403,968
Liability for amounts held under uninsured plans	58,650
Payable for securities	8,185,066
Unclaimed checks	2,197,665
Contingency liability	2,175,000
Payable to acquired subsidiary	2,057,435
Accrued interest on claims	93,200
Other	70,744
Total liabilities excluding Separate Accounts business	$2,447,492,434
From Separate Accounts	4,222,022,784
Total liabilities	$6,699,515,218
Common capital stock	$ 2,500,000
Gross paid in and contributed surplus	457,438,387
Unassigned funds (surplus)	838,478,425
Total capital and surplus	$1,298,416,812
Totals	$7,997,932,030

SUMMARY OF OPERATIONS – 2012

Premiums and annuity considerations	$1,494,520,423
Considerations for supplementary contracts with life contingencies	391,928
Net investment income	128,560,106
Amortization of interest maintenance reserve	2,065,038
Commissions and expense allowances on reinsurance ceded	8,451,386
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	31,219,468
Charges and fees for deposit-type contracts	303,568
Administrative service fees	4,480,090
Revenue sharing agreement income	7,993,374
PPO panel fees	1,806,787
Miscellaneous insurance income	1,337,499
Totals	$1,681,129,667
Death benefits	$ 41,793,094
Matured endowments	321,941
Annuity benefits	20,137,999
Disability benefits and benefits under accident and health contracts	453,012,142
Surrender benefits and withdrawals for life contracts	547,284,081
Interest and adjustments on contract or deposit-type contract funds	2,864,950
Payments on supplementary contracts with life contingencies	1,491,528
Increase in aggregate reserves for life and accident and health contracts	196,594,332
Subtotal	$1,263,500,067
Commissions on premiums, annuity considerations and deposit-type contract funds	81,695,576
Commissions and expense allowances on reinsurance assumed	22,497
General insurance expenses	221,337,142
Insurance taxes, licenses and fees, excluding federal income taxes	25,436,719
Increase in loading on deferred and uncollected premiums	(379,737)
Net transfer to Separate Accounts net of reinsurance	79,085,115
Contingency liability	(81,969)
Miscellaneous expense	4,621,448
Totals	$1,675,236,858
Net gain from operations before dividends and federal income taxes and realized capital gains or (losses)	$ 5,892,809
Dividends to policyholders	8,430,459
Federal income taxes incurred	(4,280,452)
Net realized capital gains or (losses)	(1,714,587)
Net income	$ $28,215

CAPITAL AND SURPLUS ACCOUNT

	2009	2010	2011	2012
Capital and surplus, beginning	$710,625,109	$1,248,997,095	$1,330,876,587	$1,349,148,339
Net income	$ 49,927,139	$ 77,947,567	$ 26,186,609	$ 28,215
Change in net unrealized capital gains (losses)	63,619,191	20,815,925	27,431,933	17,084,798
Change in net deferred taxes	(13,744,398)	(1,768,773)	18,322,109	18,222,381
Change in nonadmitted assets	22,676,217	6,813,938	(21,560,869)	(14,499,797)
Change in liability for reinsurance in unauthorized companies	1,853,727	(703)	11	(19,752)
Change in asset valuation reserve	(22,110,816)	(22,225,527)	(2,669,549)	(12,264,696)
Cumulative effect of changes in accounting principles	(103,039)			
Surplus paid in	452,438,387			
Dividends to stockholders	(25,000,000)		(20,000,000)	(50,000,000)
Change in pension liability tax				408,429
Adjustment for minimum pension liability			(1,182,668)	(1,166,940)
Additional deferred tax asset admissibility	8,815,577	297,066	782,340	
Prior year IBNR error			(1,052,786)	
Prior year reserve error			(7,985,378)	(8,524,165)
Change for year	$ 538,371,986	$ 81,879,493	$ 18,271,752	$ (50,731,527)
Capital and surplus, ending	$1,248,997,095	$1,330,876,587	$1,349,148,339	$1,298,416,812

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of $838,478,425, as reported in the Company's 2012 Annual Statement has been accepted for examination purposes. Examination findings, in 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 previous examination.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

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

SUBSEQUENT EVENTS

PLAN OF MERGER

On December 5, 2013, the Board of Directors of the Company approved two resolutions executing an Agreement and Plan of Merger to merge both Union Central and Acacia into the Company. The Company is currently the parent and sole shareholder of both Union Central and Acacia. This merger is part of a broader business plan to fulfill certain business objectives, including but not limited to, achieving operating efficiencies, promoting simplification, eliminating unnecessary expenses, and avoiding duplicative regulatory filings, returns and audits. The Agreement and Plan of Merger was approved by the Nebraska Department of Insurance on January 9, 2014. The effective date of these mergers is July 1, 2014.

SALE OF BANKING ENTITY

Effective October 31, 2013 the Company sold its shares of Acacia Federal Savings Bank (AFSB) to Stifel Bank & Trust, a wholly owned subsidiary of Stifel Financial Corp., for $9,072,185, less estimated selling cost. The completion of the transaction is reflective of the strategic intent of the Company to focus on the insurance and investment markets, and exit the banking business.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

Reinsurance Contract Offset Clause - It is recommended that the Company ensure future reinsurance agreements comply with SSAP 64, paragraph 2(d) and Title 210 (Nebraska Department of Insurance Rules and Regulations), Chapter 57, Section 004.01(i).

Reinsurance Contract Execution - It is recommended that the Company ensure all reinsurance contracts are in writing and signed pursuant to Title 210 (Nebraska Department of Insurance Rules and Regulations), Chapter 57, Section 005.02.

ACKNOWLEDGEMENT

The courteous cooperation extended by the Officers and employees of the Company during this examination is hereby acknowledged.

In addition to the undersigned, Andrea Szwanek, CFE, Joe Hofmeister, CFE, Elizabeth Hofker, AFE, and Kim Shannon, Financial Examiners; and Rhonda Ahrens, FSA, MAAA, Actuarial Examiner, all with the Nebraska Department of Insurance; Billy J. Bostick, CPA, CFE, Cara F. Bostick, and David B. Habony, CPA, CFE of Bostick/Crawford Consulting Group, LLC., contracted by the District of Columbia Department of Insurance, Securities, and Banking, participated in this examination and assisted in the preparation of this report.

Respectfully submitted,

Tadd K. Wegner

Tadd K. Wegner, CFE
Supervisory Examiner
Department of Insurance
State of Nebraska

State of Nebraska,

County of Lancaster,

Tadd K. Wegner, 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 Ameritas Life Insurance Corp..

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 Ameritas Life Insurance Corp. 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.

Tadd K. Wegner

Examiner-in-Charge's Signature

Subscribed and sworn before me by Tadd K Wegner on this 10th day of June, 2014.

GENERAL NOTARY - State of Nebraska
TERRI A. KELLER
My Comm. Exp. Dec. 24, 2017

(SEAL)

Terri A Keller

Notary Public

My commission expires December 24, 2017 [date].