

CERTIFICATION

January 11, 2013

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

Qualifying Examination of Financial Condition

BHG Life Insurance Company
as of

January 2, 2013

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

QUALIFYING EXAMINATION
OF
BHG LIFE INSURANCE COMPANY
OMAHA, NEBRASKA

AS OF

JANUARY 2, 2013

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE
JAN 11 2013
FILED

Omaha, NE
January 4, 2013

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

Sir:

Pursuant to your instructions and statutory requirements, a qualifying examination has been made of the

BHG Life Insurance Company
3024 Harney Street
Omaha, NE 68131

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

SCOPE OF EXAMINATION

The Company has made an application for a Certificate of Authority to transact the business of insurance as provided under Nebraska Revised Statute §44-8201 (captive insurer). In order to determine whether such authority should be granted, this examination has been conducted to ascertain if the Company has met the capital, surplus and organizational requirements set forth by Nebraska Law.

HISTORY

The Articles of Incorporation of BHG Life Insurance Company were filed with the Secretary of State of the State of Nebraska on November 20, 2012, and approved by the Department of Insurance on November 29, 2012.

The Articles of Incorporation were executed by the following incorporator:

<u>Name</u>	<u>Address</u>
Brennan S. Neville	3024 Harney Street Omaha, Nebraska 68131

CAPITAL STOCK

The Articles of Incorporation authorize the issuance of 100,000 shares of common stock with a par value of \$30.00 per share. At the date of this qualifying examination, the Company's total issued and outstanding common capital stock consisted of 100,000 shares that had been subscribed to and purchased by National Indemnity Company for a total purchase price of \$3,000,000 (\$30.00 per share). The Company's capital structure therefore consisted of \$3,000,000 in common stock.

MANAGEMENT

Shareholders

The By-Laws of the Company provide that the annual meeting of the shareholders shall be held at a time and on a date set by the President of the Company, during the first five months of the calendar year and at a place within or without its state of domicile.

Board of Directors

The By-Laws provide that the affairs of the Company shall be conducted by a Board of Directors consisting of not less than (5) nor more than nine (9) members who shall hold office for one year or until their successors are elected and qualified. A majority of the Directors shall constitute a quorum for the transaction of business, but less than a majority may adjourn from time to time or sine die.

At the first meeting of the sole shareholder, held December 6, 2012, the following persons were elected to the Board of Directors:

<u>Name</u>	<u>Address</u>
John Arendt	11 Old Long Ridge Road Stamford, CT 06903
Ajit Jain	14 Island Drive Rye, NY 10580
Forrest N. Krutter	25 West Elm Street #67 Greenwich, CT 06830
Brian Snover	160 South Lake Drive Stamford, CT 06903
Donald F. Wurster	117 North Happy Hollow Boulevard Omaha, NE 68132

Officers

According to the By-Laws, the Board of Directors shall elect from its number a President, one or more Vice Presidents, a Secretary, and a Treasurer, and may elect such other officers and agents as they deem necessary for the conduct of the business of the Company. Any officer may be removed by the Board of Directors at any time with or without cause.

At the first meeting of the Board of Directors of the Company, held on December 6, 2012, the following persons were elected for the positions indicated:

<u>Name</u>	<u>Position</u>
Donald F. Wurster	President
Forrest N. Krutter	Vice President
John D. Arendt	Vice President
Brian G. Snover	Vice-President
Dale D. Geistkemper	Treasurer
Brennan S. Neville	Secretary
Zachary R. Royse	Controller
Janelle K. Kay	Assistant Secretary
Mark D. Millard	Assistant Secretary
Carmel M. O'Sullivan	Assistant Secretary
Karen K. Peterson	Assistant Secretary

CORPORATE RECORDS

The Articles of Incorporation have been properly filed with the Secretary of State of the State of Nebraska and with the Nebraska Department of Insurance. The original By-Laws and other pertinent documents pertaining to the incorporation of the Company have been filed with the Nebraska Department of Insurance. Recorded minutes of the meetings of the shareholder and Board of Directors were reviewed and appeared to be in order.

The Articles state that the registered office of the corporation shall be 3024 Harney Street, in Omaha, Nebraska, pursuant to Nebraska Revised Statute §44-205.01 (b) which requires that the Articles of Incorporation state the place in Nebraska where the registered office will be located.

FINANCIAL STATEMENT

The following statements reflect the Company's financial condition as of January 2, 2013:

BALANCE SHEET

January 2, 2013

Assets

Cash \$3,000,000

Total assets \$3,000,000

Liabilities, Capital and Surplus

Common capital stock \$3,000,000

Total capital and surplus \$3,000,000

Total liabilities, capital surplus \$3,000,000

ASSETS

Cash **\$3,000,000**

On December 21, 2012, the Company received cash from National Indemnity Company for the initial capitalization of the Company. This asset was verified by obtaining from the Company a copy of the bank statement and funds transfer verification.

LIABILITIES, CAPITAL AND SURPLUS

Common Capital Stock, Issued and Outstanding

\$ 3,000,000

The Company's 100,000 outstanding shares were purchased by National Indemnity Company on November 29, 2012 for \$30.00 per share pursuant to the stock certificate.

GENERAL COMMENTS

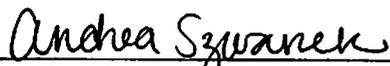
In accordance with Nebraska Revised Statute §44-208, "no domestic insurance company shall issue, cause, or allow to be issued any stock or stock subscriptions at any time upon which all expenses of distribution and sale, including promotion, commissions, and underwriting fees, exceed ten percent of the amount paid in money upon such stock or stock subscriptions".

An affidavit signed by the Controller of the Company stating that none of the assets of the Company have been pledged or in any manner impaired has been obtained. The signed affidavit also states that all of the known expenses unpaid are estimated to be zero and that all of the expenses of the organization of the Company will not exceed ten (10) percent of the initial paid-in capital stock and surplus of the Company.

CONCLUSION

Capital, surplus, and organizational expense limitations have been met by the Company as required by the Nebraska Insurance Statutes. All items reviewed appeared properly stated. It is recommended that a Certificate of Authority be granted to this Company to transact the business of insurance as provided under Nebraska Revised Statute §44-201(20).

Respectfully submitted



Andrea Szwanek, CFE
Financial Examiner
Nebraska Department of Insurance

State of Nebraska.

County of Lancaster,

Andrea Szwanek, 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 BHG Life Insurance Company.
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 BHG Life Insurance Company was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

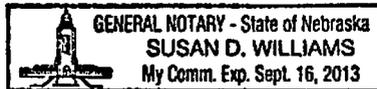
The affiant says nothing further.

Andrea Szwanek
Examiner-in-Charge's Signature

Subscribed and sworn before me by Andrea Szwanek on this 11th day of January, 2013.

(SEAL)

Susan D. Williams
Notary Public



My commission expires 9/16/2013 [date].