



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF JUNE 30, 2018

OF THE CONDITION AND AFFAIRS OF THE

Conseco Life Insurance Company of Texas

NAIC Group Code 0233 (Current) 0233 (Prior) NAIC Company Code 11804 Employer's ID Number 81-0626335

Organized under the Laws of Texas, State of Domicile or Port of Entry TX

Country of Domicile United States of America

Incorporated/Organized 08/01/2003 Commenced Business 09/12/2003

Statutory Home Office 211 East 7th Street, Suite 620 (Street and Number) Austin, TX, US 78701 (City or Town, State, Country and Zip Code)

Main Administrative Office 11825 North Pennsylvania Street (Street and Number) Carmel, IN, US 46032 (City or Town, State, Country and Zip Code) 317-817-3700 (Area Code) (Telephone Number)

Mail Address 11825 North Pennsylvania Street (Street and Number or P O Box) Carmel, IN, US 46032 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 11825 North Pennsylvania Street (Street and Number) Carmel, IN, US 46032 (City or Town, State, Country and Zip Code) 317-817-3700 (Area Code) (Telephone Number)

Internet Website Address www.CNOinc.com

Statutory Statement Contact Shelly Ann Hitch (Name) 317-817-6485 (Area Code) (Telephone Number) Shelly Hitch@CNOinc.com (E-mail Address) 317-817-2115 (FAX Number)

OFFICERS

President Erik Magnus Holding Treasurer Jeffrey Michael Kircher Secretary Karl William Kindig Actuary Kent Aron Dinius

OTHER

Bruce Keating Baude, Executive Vice President Eric Ronald Johnson, Executive Vice President Matthew Joseph Zimpfer, Executive Vice President Mark Edward Billingsley, Senior Vice President John Robert Kline, Senior Vice President

DIRECTORS OR TRUSTEES

Timothy Scott Bischof Erik Magnus Holding John Robert Kline Gerardo Monroy Christopher Joseph Nickle

State of Indiana SS County of Hamilton

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.

Erik Magnus Holding President

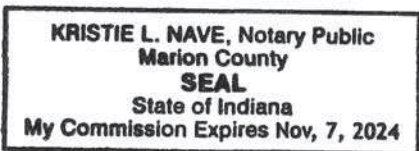
Karl William Kindig Secretary

John Robert Kline SVP & Chief Accounting Officer

Subscribed and sworn to before me this 3rd day of August, 2018

Kristie L. Nave Notary Public, State of Indiana, Marion County My Commission Expires November 7, 2024

- 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.....



STATEMENT AS OF JUNE 30, 2018 OF THE CONSECO LIFE INSURANCE COMPANY OF TEXAS

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	9,338,204		9,338,204	9,341,459
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	1,391,404,953		1,391,404,953	1,334,711,185
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens.....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$561,524), cash equivalents (\$29,597,189) and short-term investments (\$)	30,158,713		30,158,713	29,389,913
6. Contract loans (including \$ premium notes)	461,780		461,780	456,470
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,431,363,649		1,431,363,649	1,373,899,027
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	241,645		241,645	169,040
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,153		1,153	1,286
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	20,294		20,294	21,858
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,000		1,000	4,000
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	167		167	62
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	883,015		883,015	6,732,358
18.2 Net deferred tax asset	150,947,068	150,947,068		
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$) and other amounts receivable	13,912		13,912	14,067
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,583,471,903	150,947,068	1,432,524,835	1,380,841,699
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,583,471,903	150,947,068	1,432,524,835	1,380,841,699
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)				

STATEMENT AS OF JUNE 30, 2018 OF THE CONSECO LIFE INSURANCE COMPANY OF TEXAS

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ 9,894,908 less \$ included in Line 6.3 (including \$ Modco Reserve)	9,894,908	10,074,786
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)		
3. Liability for deposit-type contracts (including \$ Modco Reserve)	1,646,503	1,755,413
4. Contract claims:		
4.1 Life	217,230	266,031
4.2 Accident and health		
5. Policyholders' dividends \$ and coupons \$ due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)	36,484	39,193
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ 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 \$ discount; including \$ accident and health premiums	2,738	1,832
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ 587 ceded	587	118
9.4 Interest Maintenance Reserve	776,607	797,706
10. Commissions to agents due or accrued-life and annuity contracts \$, accident and health \$ and deposit-type contract funds \$		
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued	66,715	98,173
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	(1,113,605)	(877,640)
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)	8,358,734	4,023,790
15.2 Net deferred tax liability		
16. Unearned investment income	11,824	10,526
17. Amounts withheld or retained by company as agent or trustee	945	175
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated	18,944	6,028
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 \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	52,294	49,464
24.02 Reinsurance in unauthorized and certified (\$) companies		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers		
24.04 Payable to parent, subsidiaries and affiliates	681	2,852
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 \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	158,227	141,475
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	20,129,815	16,389,922
27. From Separate Accounts Statement		
28. Total liabilities (Lines 26 and 27)	20,129,815	16,389,922
29. Common capital stock	700,000	700,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes	749,550,000	749,550,000
33. Gross paid in and contributed surplus	2,488,591,537	2,488,591,537
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	(1,826,446,517)	(1,874,389,760)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ in Separate Accounts Statement)	1,411,695,020	1,363,751,777
38. Totals of Lines 29, 30 and 37	1,412,395,020	1,364,451,777
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	1,432,524,835	1,380,841,699
DETAILS OF WRITE-INS		
2501. Unclaimed funds	158,227	141,475
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	158,227	141,475
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198)(Line 31 above)		
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)		

SUMMARY OF OPERATIONS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	65,114	68,049	134,641
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	6,395,970	62,437,934	111,222,789
4. Amortization of Interest Maintenance Reserve (IMR)	18,878	15,666	37,560
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	61	65	116
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			
9. Totals (Lines 1 to 8.3)	6,480,023	62,521,714	111,395,106
10. Death benefits	196,735	237,964	396,562
11. Matured endowments (excluding guaranteed annual pure endowments)	31,762	1,039	10,879
12. Annuity benefits	5,390	118,467	118,840
13. Disability benefits and benefits under accident and health contracts	1,484	2,173	2,564
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	47,906	92,361	163,468
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	25,835	29,949	59,546
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health contracts	(179,878)	(335,581)	(410,564)
20. Totals (Lines 10 to 19)	129,234	146,372	341,295
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)			
22. Commissions and expense allowances on reinsurance assumed			
23. General insurance expenses	285,431	315,931	704,845
24. Insurance taxes, licenses and fees, excluding federal income taxes	(599,685)	(653,445)	(1,748,901)
25. Increase in loading on deferred and uncollected premiums	(92)	(538)	(1,968)
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions			
28. Totals (Lines 20 to 27)	(185,111)	(191,680)	(704,730)
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	6,665,134	62,713,394	112,099,835
30. Dividends to policyholders	14,528	18,605	37,561
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	6,650,606	62,694,789	112,062,274
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(32,601,701)	(63,615,907)	(135,372,180)
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)	39,252,306	126,310,696	247,434,454
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (excluding taxes of \$ (590) transferred to the IMR)			952,695
35. Net income (Line 33 plus Line 34)	39,252,306	126,310,696	248,387,149
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	1,364,451,777	1,365,685,274	1,365,685,274
37. Net income (Line 35)	39,252,306	126,310,696	248,387,149
38. Change in net unrealized capital gains (losses) less capital gains tax of \$	48,193,767	42,674,721	33,066,954
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	(27,694,396)	(55,395,366)	(62,700,239)
41. Change in nonadmitted assets	27,694,395	55,395,459	62,700,333
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	(2,830)	12,291	12,306
45. Change in treasury stock			
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			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in			
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	(39,500,000)	(157,000,000)	(282,700,000)
53. Aggregate write-ins for gains and losses in surplus			
54. Net change in capital and surplus for the year (Lines 37 through 53)	47,943,243	11,997,802	(1,233,498)
55. Capital and surplus, as of statement date (Lines 36 + 54)	1,412,395,020	1,377,683,077	1,364,451,777
DETAILS OF WRITE-INS			
08.301.			
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)			
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 through 2703 plus 2798)(Line 27 above)			
5301.			
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. Totals (Lines 5301 through 5303 plus 5398)(Line 53 above)			

STATEMENT AS OF JUNE 30, 2018 OF THE CONSECO LIFE INSURANCE COMPANY OF TEXAS

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	67,704	71,348	139,887
2. Net investment income	6,325,858	62,320,266	111,240,039
3. Miscellaneous income	61	65	116
4. Total (Lines 1 to 3)	6,393,623	62,391,679	111,380,042
5. Benefit and loss related payments	354,444	464,315	691,101
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	(46,831)	(1,087,248)	(452,349)
8. Dividends paid to policyholders	17,237	19,596	38,892
9. Federal and foreign income taxes paid (recovered) net of \$ (590) tax on capital gains (losses)	(42,786,578)	(122,332,361)	(194,420,454)
10. Total (Lines 5 through 9)	(42,461,727)	(122,935,698)	(194,142,810)
11. Net cash from operations (Line 4 minus Line 10)	48,855,350	185,327,377	305,522,852
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	2,060	1,503,246	1,505,808
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(2,811)		
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	(751)	1,503,246	1,505,808
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks	8,500,000	22,300,000	24,300,000
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	8,500,000	22,300,000	24,300,000
14. Net increase (or decrease) in contract loans and premium notes	5,310	(14,016)	(23,833)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(8,506,061)	(20,782,737)	(22,770,359)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(108,911)	(35,366)	(68,067)
16.5 Dividends to stockholders	39,500,000	157,000,000	282,700,000
16.6 Other cash provided (applied)	28,422	16,023	3,896
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(39,580,489)	(157,019,343)	(282,764,172)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	768,799	7,525,296	(11,678)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	29,389,913	29,401,592	29,401,592
19.2 End of period (Line 18 plus Line 19.1)	30,158,713	36,926,888	29,389,913

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

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EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life			
2. Ordinary life insurance	70,008	72,913	145,222
3. Ordinary individual annuities			
4. Credit life (group and individual)			
5. Group life insurance			
6. Group annuities			
7. A & H - group			
8. A & H - credit (group and individual)			
9. A & H - other			
10. Aggregate of all other lines of business			
11. Subtotal	70,008	72,913	145,222
12. Deposit-type contracts			
13. Total	70,008	72,913	145,222
DETAILS OF WRITE-INS			
1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page			
1099. Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)			

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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

Accounting Practices

- A. The financial statements of Conseco Life Insurance Company of Texas ("Company") are presented on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance ("Department").

The Department recognizes only statutory accounting practices prescribed or permitted by the State of Texas for reporting the financial condition and results of operations of an insurance company and determining its solvency under Texas Insurance Law. The *Accounting Practices and Procedures* manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Texas. However, the State of Texas may adopt certain prescribed accounting practices that differ from those found in NAIC SAP. In addition, the Department has the right to permit other specific practices that deviate from prescribed practices. However, the Company has no such permitted practices.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Texas is shown below:

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) Conseco Life Insurance Company of Texas, State of Texas basis (Page 4, Line 35, Columns 1 & 3)	XXX	XXX	XXX	\$ 39,252,306	\$ 248,387,149
(2) State Prescribed Practices that increase/ (decrease) NAIC SAP:					
None	N/A	N/A	N/A	—	—
(3) State Permitted Practices that increase/ (decrease) NAIC SAP:					
None	N/A	N/A	N/A	—	—
(4) NAIC SAP (1- 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 39,252,306</u>	<u>\$ 248,387,149</u>
SURPLUS					
(5) Conseco Life Insurance Company of Texas, State of Texas basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	\$1,412,395,020	\$1,364,451,777
(6) State Prescribed Practices that increase/ (decrease) NAIC SAP:					
None	N/A	N/A	N/A	—	—
(7) State Permitted Practices that increase/ (decrease) NAIC SAP:					
None	N/A	N/A	N/A	—	—
(8) NAIC SAP (5- 6 - 7 = 8)	XXX	XXX	XXX	<u>\$1,412,395,020</u>	<u>\$1,364,451,777</u>

- B. No significant changes

C.

- (6) Loan-backed bonds, structured securities and beneficial interests are stated at amortized cost using the interest method, except for those rated NAIC class 6, which are stated at the lower of amortized cost or fair value. For securities where collection of all contractual cash flows is probable, changes in currently estimated cash flows, including the effect of prepayment assumptions, are accounted for using the retrospective method. For securities that are not of high credit quality for which collection of all contractual cash flows is not probable, significant increases in cash flow estimates are accounted for using the prospective method.

No other significant changes

- D. Going Concern

The Company's management does not have substantial doubt about its ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

NOTES TO FINANCIAL STATEMENTS

4. Discontinued Operations

None

5. Investments

A. - C.

None

D. Loan-backed Securities

- (1) Prepayment assumptions for loan-backed and structured securities are obtained from third party vendors and internal estimates. These assumptions are reviewed for consistency with the current interest rate and economic environment.
- (2) The Company did not record any other-than-temporary impairments ("OTTI") during the six months ended June 30, 2018 under SSAP No. 43R – Revised, Loan-backed and Structured Securities ("SSAP 43R"), resulting from either an intent to sell or the inability or lack of intent to retain the investment for a period of time sufficient to recover the amortized cost basis.
- (3) The Company did not recognize any OTTI as of June 30, 2018 as a result of an expected shortage of discounted future cash flows to recover the amortized cost of the security on loan-backed bonds, structured securities and beneficial interests.
- (4) The Company does not own any loan-backed securities at June 30, 2018 that have not been impaired with a fair value lower than amortized cost.
- (5) The Company regularly evaluates its investments with unrealized losses for possible impairment. The Company's assessment of whether unrealized losses are "other-than-temporary" requires significant judgment. Factors considered include: (i) the extent to which fair value is less than the cost basis; (ii) the length of time that the fair value has been less than cost; (iii) whether the unrealized loss is event driven, credit-driven or a result of changes in market interest rates or risk premium; (iv) the near-term prospects for specific events, developments or circumstances likely to affect the value of the investment; (v) the investment's rating and whether the investment is investment-grade and/or has been downgraded since its purchase; (vi) whether the issuer is current on all payments in accordance with the contractual terms of the investment and is expected to meet all of its obligations under the terms of the investment; (vii) whether or not the Company intends to sell the investment or it is more likely than not that circumstances will require the Company to sell the investment before recovery occurs; (viii) the underlying current and prospective asset and enterprise values of the issuer and the extent to which the recoverability of the carrying value of the Company's investment may be affected by changes in such values; (ix) projections of, and unfavorable changes in, cash flows on structured securities including mortgage-backed and asset-backed securities; (x) our best estimate of the value of any collateral; and (xi) other objective and subjective factors.

E. - K.

None

L.

No significant changes

M. - R.

None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

No significant changes

8. Derivative Instruments

None

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

- A. The components of the net deferred tax asset ("DTA") recognized in the Company's financial statements are as follows:

(1)

	June 30, 2018		
	Ordinary	Capital	Total
a. Gross Deferred Tax Asset	\$ 374,955,423	\$ —	\$ 374,955,423
b. Statutory Valuation Allowance Adjustment	224,000,000	—	224,000,000
c. Adjusted Gross Deferred Tax Asset	150,955,423	—	150,955,423
d. Deferred Tax Asset Non-admitted	150,947,068	—	150,947,068
e. Admitted Deferred Tax Asset	8,355	—	8,355
f. Gross Deferred Tax Liability	4,504	3,851	8,355
g. Net Admitted Deferred Tax Asset (Liability)	\$ 3,851	\$ (3,851)	\$ —

	December 31, 2017		
	Ordinary	Capital	Total
a. Gross Deferred Tax Asset	\$ 402,654,405	\$ —	\$ 402,654,405
b. Statutory Valuation Allowance Adjustment	224,000,000	—	224,000,000
c. Adjusted Gross Deferred Tax Asset	178,654,405	—	178,654,405
d. Deferred Tax Asset Non-admitted	178,641,464	—	178,641,464
e. Admitted Deferred Tax Asset	12,941	—	12,941
f. Gross Deferred Tax Liability	9,450	3,491	12,941
g. Net Admitted Deferred Tax Asset (Liability)	\$ 3,491	\$ (3,491)	\$ —

	Change		
	Ordinary	Capital	Total
a. Gross Deferred Tax Asset	\$ (27,698,982)	\$ —	\$ (27,698,982)
b. Statutory Valuation Allowance Adjustment	—	—	—
c. Adjusted Gross Deferred Tax Asset	(27,698,982)	—	(27,698,982)
d. Deferred Tax Asset Non-admitted	(27,694,396)	—	(27,694,396)
e. Admitted Deferred Tax Asset	(4,586)	—	(4,586)
f. Gross Deferred Tax Liability	(4,946)	360	(4,586)
g. Net Admitted Deferred Tax Asset (Liability)	\$ 360	\$ (360)	\$ —

The Tax Cuts and Jobs Act (the "Act") was enacted into law on December 22, 2017. Effective January 1, 2018, the Act reduces the federal corporate tax rate to 21%. The Act also includes several provisions that impact life insurance companies, including the elimination of net operating loss carrybacks, changes in how future net operating loss carry-forwards are utilized, and changes in how life insurance reserves and deferred acquisition costs are determined for tax purposes. Statutory Statement of Accounting Principles No. 101 ("SSAP 101") requires that deferred tax assets and deferred tax liabilities be revalued in the period the new tax legislation was enacted. Further, deferred tax assets are admitted based upon the expected realization of deductible temporary differences estimated to reverse over the applicable time period, but not to exceed amounts specified under SSAP 101. Accordingly, the Company revalued its deferred tax assets and liabilities as of December 31, 2017 based on the Act. This resulted in no net surplus impact to the Company.

The Company included reasonable estimates for certain effects of the Act and recorded provisional amounts as of December 31, 2017. The Company recorded provisional amounts for tax reserves which resulted in an increase in both deferred tax assets and liabilities. The Company is currently evaluating these provisional amounts and expects its final determination to be completed within one year of the enactment date of the Act. Future changes to these provisional amounts, if any, will be recognized as a change in accounting estimate as the necessary information to update the provisional amounts becomes available.

- (2) In 2016, the Company fully utilized its remaining life net operating loss carry-forwards, and is now using its non-life operating losses to offset life company income, subject to the limitations discussed in Note 9.E. Based on the Company's assessment, it appears more likely than not that a portion of the non-life operating losses being carried forward will be utilized to offset life income prior to expiring in 2023. For this reason, the non-life operating loss carry-forwards are not fully offset by a corresponding statutory valuation allowance at June 30, 2018. Instead, the Company is recording a valuation allowance equal to the portion of the deferred tax assets that are not expected to be utilized by life company income. Refer to Note 9.E. for further discussion of the Company's life and non-life operating loss carry-forwards.
- (3) The Company has no admitted deferred tax assets at June 30, 2018.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes, continued

(4) Impact of Tax-Planning Strategies

- a. The Company did not utilize any tax-planning strategies during the six months ended June 30, 2018.

	June 30, 2018		December 31, 2017		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
1. Adjusted Gross DTA	\$ 150,955,423	\$ —	\$ 178,654,405	\$ —	\$ (27,698,982)	\$ —
2. % of Adjusted Gross DTA Attributable to Tax Planning Strategies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3. Net Admitted Adjusted Gross DTA	\$ 8,355	\$ —	\$ 12,941	\$ —	\$ (4,586)	\$ —
4. % of Net Admitted Adjusted Gross DTA Admitted Because of Tax Planning Strategies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

- b. The Company did not utilize reinsurance related tax-planning strategies.

B. The Company has recognized all deferred tax liabilities as of June 30, 2018.

C. The components of current and deferred income taxes are as follows:

(1) Current income taxes incurred consist of the following major components:

	2018	2017	Change
a. Federal	\$ (32,601,701)	\$ (135,372,180)	\$ 102,770,479
b. Foreign tax	—	—	—
c. Subtotal	(32,601,701)	(135,372,180)	102,770,479
d. Federal income tax on net capital gains	(590)	(895,584)	894,994
e. Utilization of capital loss carry-forwards	—	—	—
f. Other	—	—	—
g. Federal and foreign income taxes incurred	<u>\$ (32,602,291)</u>	<u>\$ (136,267,764)</u>	<u>\$ 103,665,473</u>

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes, continued

The main components of the DTA and deferred tax liabilities are as follows:

	June 30	December 31	
	2018	2017	Change
(2) Deferred tax assets:			
a. Ordinary			
1. Discounting of unpaid losses	\$ —	\$ —	\$ —
2. Unearned premium reserve	—	—	—
3. Policyholder reserves	432,218	437,417	(5,199)
4. Investments	—	—	—
5. Deferred acquisition costs	14,662	15,072	(410)
6. Policyholder dividends accrual	—	—	—
7. Fixed assets	—	—	—
8. Compensation and benefits accrual	—	—	—
9. Pension accrual	—	—	—
10. Receivables - nonadmitted	—	—	—
11. Net operating loss carry-forward	374,500,880	402,193,684	(27,692,804)
12. Tax credit carry-forward	—	—	—
13. Other (including items <5% of total ordinary tax assets)	7,663	8,232	(569)
99. Subtotal	<u>374,955,423</u>	<u>402,654,405</u>	<u>(27,698,982)</u>
b. Statutory valuation allowance adjustment	224,000,000	224,000,000	—
c. Nonadmitted	<u>150,947,068</u>	<u>178,641,464</u>	<u>(27,694,396)</u>
d. Admitted ordinary deferred tax assets	<u>8,355</u>	<u>12,941</u>	<u>(4,586)</u>
e. Capital			
1. Investments	—	—	—
2. Net capital loss carry-forward	—	—	—
3. Real Estate	—	—	—
4. Other (including items <5% of total capital tax assets)	—	—	—
99. Subtotal	<u>—</u>	<u>—</u>	<u>—</u>
f. Statutory valuation allowance adjustment	—	—	—
g. Nonadmitted	<u>—</u>	<u>—</u>	<u>—</u>
h. Admitted capital deferred tax assets	<u>—</u>	<u>—</u>	<u>—</u>
i. Admitted deferred tax assets	<u>8,355</u>	<u>12,941</u>	<u>(4,586)</u>
(3) Deferred tax liabilities:			
a. Ordinary			
1. Investments	\$ —	\$ —	\$ —
2. Fixed Assets	—	—	—
3. Deferred and uncollected premium	4,504	4,860	(356)
4. Policyholder reserves	—	4,590	(4,590)
5. Other (including items <5% of total ordinary tax assets)	—	—	—
99. Subtotal	<u>4,504</u>	<u>9,450</u>	<u>(4,946)</u>
b. Capital			
1. Investments	3,851	3,491	360
2. Real Estate	—	—	—
3. Other (including items <5% of total capital tax assets)	—	—	—
99. Subtotal	<u>3,851</u>	<u>3,491</u>	<u>360</u>
c. Deferred tax liabilities	<u>8,355</u>	<u>12,941</u>	<u>(4,586)</u>
(4) Net deferred tax assets/liabilities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The change in net deferred income tax from December 31, 2017 to June 30, 2018 is comprised of the following:

Change in net DTA	\$ (27,694,396)
Tax effect of unrealized gains (losses)	—
Change in net deferred income tax	<u>\$ (27,694,396)</u>

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes, continued

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference for the six months ended June 30, 2018 were as follows:

	2018	Effective Tax Rate
Provision computed at statutory rate	\$ 1,396,037	21.0 %
Dividends received deduction	(6,300,000)	(94.8%)
Amortization of interest maintenance reserve	(3,965)	0.0%
Other	33	0.0 %
Total federal income tax benefit	<u>\$ (4,907,895)</u>	<u>(73.8%)</u>
The federal income tax benefit is comprised of the following:		
Tax on gain (loss) from operations	\$ (32,601,701)	(490.4%)
Tax on current year capital gains (losses)	(590)	— %
Change in net deferred income tax	27,694,396	416.6 %
Total federal income tax benefit	<u>\$ (4,907,895)</u>	<u>(73.8%)</u>

- E. (1) At June 30, 2018, the Company had the following net operating loss carry-forwards:

Year of Origination	Year of Expiration	Type	Amount
2003	2023	Non-life	<u>\$ 1,783,337,522</u>
		Total	<u>\$ 1,783,337,522</u>

The net operating losses originating in 2003 principally relate to losses realized on the cancellation of the common stock of Conseco Finance Corporation, a former affiliate. This loss was the subject of a settlement between the IRS and the Company such that \$2.1 billion of the loss was deemed to be a "life insurance company" loss and the balance was deemed to be a "non-life insurance company" loss.

The distinction between a life insurance company loss and a non-life insurance company loss is that the Internal Revenue Code limits the extent to which losses realized by a non-life company may offset income from a life insurance company to the lesser of: (i) 35 percent of the income of the life insurance company or (ii) 35 percent of the total loss of the non-life company. There is no limitation on the ability to utilize net operating losses by a life insurance company. Also, life insurance company losses have an expiration period of 15 years versus non-life net operating losses that have a 20-year expiration period.

At June 30, 2018, the Company had no capital loss carry-forwards.

At June 30, 2018, the Company had no alternative minimum tax credits.

- (2) The Company has no income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses.
- (3) At June 30, 2018, the Company had no protective tax deposits on deposit with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.
- F. (1) No significant changes
- (2) Intercompany tax balances payable under the tax sharing agreement are settled quarterly.

At June 30, 2018, The federal income tax recoverable of \$883,015 represents a receivable from an affiliate of \$883,015. The federal income tax liability of \$8,358,734 represents a payable to subsidiaries of \$8,358,734. The federal income tax recoverable at December 31, 2017 of \$6,732,358 represented a receivable from subsidiaries of \$6,732,358. At December 31, 2017, the federal income tax liability of \$4,023,790 included a payable to a subsidiary of \$54,213, a payable to an affiliate of \$2,846,251 and a payable to a former affiliate of \$1,123,326.

No other significant changes

- G. No significant changes

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries and Affiliates

A., B., & C.

During 2018, the Company paid dividends from other than earned surplus to its sole shareholder, CDOC, Inc. ("CDOC") as follows:

(1) On June 28, 2018, the Company paid an extraordinary dividend of \$39,500,000 in cash.

During 2018, the Company received shareholder dividends from its subsidiary, Bankers Life and Casualty Company ("Bankers Life"), as follows:

(1) On June 28, 2018, the Company received an ordinary dividend of \$30,000,000 in cash.

During 2018, the Company paid contributions to the surplus of its subsidiaries as follows:

(1) On March 22, 2018, the Company paid a contribution of \$8,500,000 in cash to Colonial Penn Life Insurance Company.

Bankers Life paid contributions to its subsidiary, Illinois General Investment Corp. as follows:

(1) During the second quarter of 2018, Bankers Life paid contributions totaling \$39,536,220 in cash.

(2) During the first quarter of 2018, Bankers Life paid contributions totaling \$26,108,503 in cash.

D. - M.

No significant changes

N. Bankers Consecos Life Insurance Company ("Bankers Consecos Life"), a subsidiary domiciled in New York, has adopted certain accounting practices that differ from those found in NAIC SAP.

As required by New York, Bankers Consecos Life uses continuous CARVM reserving methods for its deferred annuity contracts versus curttate CARVM reserving methods required by NAIC SAP. If curttate reserving methods were used for contracts issued beginning January 1, 2001, surplus would be increased by \$146,120 and \$168,168 as of June 30, 2018 and December 31, 2017, respectively. Additionally, net income for the six months ended June 30, 2018 and the year ended December 31, 2017 would be decreased by \$22,048 and \$12,737, respectively. Using curttate CARVM reserving methods for deferred annuity contracts would not have caused Bankers Consecos Life's risk-based capital to trigger a regulatory event. In addition to the prescribed practices above, the Department has the right to permit other specific practices that deviate from prescribed practices. However, Bankers Consecos Life has no such permitted practices.

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements*
Bankers Consecos Life	\$ (22,048)	\$ 146,120	\$ 59,746,345	\$ 59,892,465

* Per AP&P Manual (without permitted or prescribed practices)

11. Debt

None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant changes

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1-3) No significant changes

(4) See Note #10

(5-9) No significant changes

NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations, continued

(10) As of June 30, 2018, the portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) was \$147,426,628.

(11) Information on the outstanding surplus debentures is as follows:

Date Issued	Interest Rate	Par Value (Face Amount of Note)	Amount of Note Outstanding	Interest		Unapproved Interest	Date of Maturity
				Paid Current Year	Total Interest Paid		
9/29/95	Variable (a)	\$ 50,000,000	\$ 50,000,000	\$ 1,611,644	\$ 91,821,597	\$ 0	12/31/30
4/30/99	Variable (a)	58,250,000	58,250,000	1,877,565	78,982,402	0	12/31/30
12/31/98	Variable (a)	305,000,000	305,000,000	9,831,027	448,208,568	0	12/31/30
12/31/98	Variable (a)	336,300,000	336,300,000	10,839,916	494,205,052	0	12/31/30
			\$ 749,550,000	\$ 24,160,152	\$1,113,217,619	\$ 0	

(a) The Three Month LIBOR Rate + 4.0% effective until June 30, 2009. Beginning July 1, 2009, the greater of: (i) the Three Month LIBOR Rate + 4.0% or (ii) 6.5%. (6.5% as of June 30, 2018)

No other significant changes

(12, 13)

No significant changes

14. Liabilities, Contingencies and Assessments

A. - E. No significant changes

F. All Other Contingencies

(1) On September 29, 2016, Washington National Insurance Company ("Washington National"), an affiliate, and the Company's subsidiary, Bankers Consecos Life, commenced an arbitration proceeding seeking compensatory, consequential and punitive damages against Beechwood Re Ltd. ("BRe") based upon BRe's incurable material breaches of the long-term care reinsurance agreements, conversion, fraud, and breaches of fiduciary duties and the obligation to deal honestly and in good faith. BRe filed a counterclaim against Washington National and Bankers Consecos Life in the arbitration alleging damages relating to the reinsurance agreements and their termination. In addition, on September 29, 2016, a complaint was filed by Bankers Consecos Life and Washington National in the United States District Court for the Southern District of New York, *Bankers Consecos Life Insurance Company and Washington National Insurance Company v. Moshe M. Feuer, Scott Taylor and David Levy, Case No. 16-cv-7646*, alleging, among other claims, fraud/fraudulent concealment, and violation of the Racketeer Influenced and Corrupt Organizations Act. These allegations relate to the long-term care reinsurance agreements between BRe and Washington National and Bankers Consecos Life, respectively, and emanate from the undisclosed relationships between and among the defendants (who were the principal owners and officers of BRe) and Platinum Partners, LP and its affiliates. On April 27, 2017, an amended complaint was filed adding Beechwood Capital Group, LLC as a defendant. On March 13, 2018, the District Court granted the motion that had been filed by Feuer, Taylor and Levy to compel arbitration of Washington National's and Bankers Consecos Life's claims and the litigation is now stayed pending the outcome of the arbitration. Washington National and Bankers Consecos Life intend to vigorously pursue their claims for damages and other remedies in the arbitration and the litigation described above.

By public notice dated July 26, 2017, the Cayman Islands Monetary Authority advised that, effective July 25, 2017, two individuals (the "Controllers") had been appointed pursuant to Section 24(2)(h) of the Cayman Islands Insurance Law to assume control of the affairs of BRe. According to the public notice, effective with their appointment, the Controllers assumed immediate control of the affairs of BRe and have all the powers necessary to administer the affairs of BRe including power to terminate its insurance business. The Controllers are responsible for assessing the financial position of BRe and submitting a report to the Cayman Islands Monetary Authority by a date to be specified. Bankers Consecos Life and Washington National are in the process of assessing the potential impact of this action on the proceedings described in the foregoing paragraph.

(2) No significant changes

NOTES TO FINANCIAL STATEMENTS

15. Leases

None

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. None

B. None

C. There were no securities with NAIC designation 3 or below, or unrated securities, sold during the six months ended June 30, 2018 and reacquired within 30 days of the sale date.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Fair Value Measurements

A. Assets and Liabilities Measured and Reported at Fair Value

(1) Fair Value Measurements at June 30, 2018

Description	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
Assets at fair value:					
Cash equivalents					
All other money market mutual funds	\$ 29,597,189	\$ —	\$ —	\$ 29,597,189	\$ —
Total Assets at fair value	\$ 29,597,189	\$ —	\$ —	\$ 29,597,189	\$ —
Total Liabilities at fair value	\$ —	\$ —	\$ —	\$ —	\$ —

(2-3) None

(4) The Company's financial assets measured and reported at fair value have been classified, for disclosure purposes, based on a hierarchy defined by authoritative guidance. The degree of judgment utilized in measuring the fair value of financial instruments is largely dependent on the level to which pricing is based on observable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our view of market assumptions in the absence of observable market information. Financial instruments with readily available active quoted prices would be considered to have fair values based on the highest level of observable inputs, and little judgment would be utilized in measuring fair value. Financial instruments that rarely trade would often have fair value based on a lower level of observable inputs, and more judgment would be utilized in measuring fair value.

Valuation Hierarchy

There is a three-level hierarchy for valuing assets or liabilities at fair value based on whether inputs are observable or unobservable.

- Level 1 – includes assets and liabilities valued using inputs that are unadjusted quoted prices in active markets for identical assets or liabilities. Our Level 1 assets primarily include cash and exchange traded securities.

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements, continued

- Level 2 - includes assets and liabilities valued using inputs that are quoted prices for similar assets in an active market, quoted prices for identical or similar assets in a market that is not active, observable inputs, or observable inputs that can be corroborated by market data. Level 2 assets and liabilities include those financial instruments that are valued by independent pricing services using models or other valuation methodologies. These models consider various inputs such as credit rating, maturity, corporate credit spreads, reported trades and other inputs that are observable or derived from observable information in the marketplace or are supported by transactions executed in the marketplace. Financial assets in this category primarily include: certain publicly registered and privately placed corporate fixed maturity securities; certain government or agency securities; certain mortgage and asset-backed securities; certain equity securities; certain mutual fund investments; most short-term investments; and non-exchange-traded derivatives such as call options.

- Level 3 - includes assets and liabilities valued using unobservable inputs that are used in model-based valuations that contain management assumptions. Level 3 assets and liabilities include those financial instruments whose fair value is estimated based on broker/dealer quotes, pricing services or internally developed models or methodologies utilizing significant inputs not based on, or corroborated by, readily available market information. Financial assets in this category include certain corporate securities (primarily certain below-investment grade privately placed securities), certain structured securities, mortgage loans, and other less liquid securities.

At each reporting date, we classify assets and liabilities into the three input levels based on the lowest level of input that is significant to the measurement of fair value for each asset and liability reported at fair value. This classification is impacted by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction and overall market conditions. Our assessment of the significance of a particular input to the fair value measurement and the ultimate classification of each asset and liability requires judgment and is subject to change from period to period based on the observability of the valuation inputs.

B.- C. As of June 30, 2018, the aggregate fair value of all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall were as follows:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV) Included in Level 2
Bonds	\$ 10,315,829	\$ 9,338,204	\$ —	\$ 10,315,829	\$ —	\$ —
Cash	561,524	561,524	561,524	—	—	—
Cash equivalents	29,597,189	29,597,189	29,597,189	—	—	—
Contract loans	461,780	461,780	—	—	461,780	—
Total Assets	\$ 40,936,322	\$ 39,958,697	\$ 30,158,713	\$ 10,315,829	\$ 461,780	\$ —
Deposit-type contracts	\$ 6,893	\$ 6,683	\$ —	\$ —	\$ 6,893	\$ —
Total Liabilities	\$ 6,893	\$ 6,683	\$ —	\$ —	\$ 6,893	\$ —

D. None

21. Other Items

No significant changes

22. Events Subsequent

Subsequent events have been evaluated up to the issue date of these financial statements, August 10, 2018.

On August 1, 2018, Bankers Life entered into an agreement with Wilton Reassurance Company (“Wilton Re”) to cede all of its legacy (prior to 2003) comprehensive and nursing home long-term care policies (with statutory reserves of approximately \$2.7 billion) through 100% indemnity coinsurance. As consideration for Wilton Re’s entry into the coinsurance agreement, which will have an effective date of April 1, 2018, Bankers Life will pay Wilton Re a ceding commission at closing equal to \$825.0 million. This will be funded by (1) statutory reserves no longer required and immediate tax benefits, (2) released capital reflecting lower required capital after the transaction, and (3) a capital contribution of between \$200 million and \$250 million to Bankers Life from the Company. Prior to the Company contributing capital to Bankers Life, the Company will receive an amount in excess of the capital being contributed to Bankers Life from its parent.

The transaction is subject to customary and other closing conditions and certain regulatory approvals and is expected to close no later than the end of 2018. On the closing date of the proposed transaction, Bankers Life will transfer to Wilton Re assets equal to the statutory liabilities supporting the block plus the ceding commission (subject to a customary post-closing adjustment).

NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent, continued

In addition to the reinsurance agreement, Bankers Life or an affiliated company will enter into certain other agreements with Wilton Re, including a trust agreement, an administrative services agreement and a transition services agreement.

Wilton Re will establish and maintain a trust account for the benefit of Bankers Life to secure its obligations under the coinsurance agreement. The trust account will be required to hold qualified assets with book values equal to the statutory liabilities of the block plus an additional amount, initially \$500 million, which declines over time.

23. Reinsurance

No significant changes

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. - D.

None

E. During the first six months of 2018, the Company had no written premium subject to the risk sharing provisions of the Affordable Care Act.

25. Change in Incurred Losses and Loss Adjustment Expenses

None

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

None

29. Participating Policies

No significant changes

30. Premium Deficiency Reserves

None

31. Reserves for Life Contracts and Annuity Contracts

No significant changes

32. Analysis of Annuity Actuarial Reserves and Deposit-Type Liabilities by Withdrawal Characteristics

No significant changes

33. Premium and Annuity Considerations Deferred and Uncollected

No significant changes

NOTES TO FINANCIAL STATEMENTS

34. Separate Accounts

None

35. Loss/Claim Adjustment Expenses

None

STATEMENT AS OF JUNE 30, 2018 OF THE CONSECO LIFE INSURANCE COMPANY OF TEXAS
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
 If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [X] No []
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0001224608
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
 If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/06/2015
- 6.4 By what department or departments?
 Texas
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Bankers Life Securities, Inc.	Chicago, IL				YES
Bankers Life Advisory Services, Inc.	Chicago, IL				YES

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$
13. Amount of real estate and mortgages held in short-term investments: \$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []
- 14.2 If yes, please complete the following:
- | | 1 | 2 |
|---|---|--|
| | Prior Year-End
Book/Adjusted
Carrying Value | Current Quarter
Book/Adjusted
Carrying Value |
| 14.21 Bonds | \$ | \$ |
| 14.22 Preferred Stock | \$ | \$ |
| 14.23 Common Stock | \$ 1,334,711,185 | \$ 1,391,404,953 |
| 14.24 Short-Term Investments | \$ | \$ |
| 14.25 Mortgage Loans on Real Estate | \$ | \$ |
| 14.26 All Other | \$ | \$ |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$ 1,334,711,185 | \$ 1,391,404,953 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$ | \$ |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
- If no, attach a description with this statement.

STATEMENT AS OF JUNE 30, 2018 OF THE CONSECO LIFE INSURANCE COMPANY OF TEXAS
GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2\$
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2\$
- 16.3 Total payable for securities lending reported on the liability page\$

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []
- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
The Northern Trust Company	50 South LaSalle Street, Chicago, IL 60603

- 17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]
- 17.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
40186 Advisors, Inc.	A.....

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [] No [X]

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [] No [X]

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107740	40186 Advisors, Inc.	549300WH223WQWWQ0D59	SEC	DS.....

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []
- 18.2 If no, list exceptions:

19. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5*GI securities? Yes [] No [X]

GENERAL INTERROGATORIES

PART 2 - LIFE & HEALTH

1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:	1 Amount
1.1	Long-Term Mortgages In Good Standing	
1.11	Farm Mortgages	\$
1.12	Residential Mortgages	\$
1.13	Commercial Mortgages	\$
1.14	Total Mortgages in Good Standing	\$ _____
1.2	Long-Term Mortgages In Good Standing with Restructured Terms	
1.21	Total Mortgages in Good Standing with Restructured Terms	\$ _____
1.3	Long-Term Mortgage Loans Upon which Interest is Overdue more than Three Months	
1.31	Farm Mortgages	\$
1.32	Residential Mortgages	\$
1.33	Commercial Mortgages	\$
1.34	Total Mortgages with Interest Overdue more than Three Months	\$ _____
1.4	Long-Term Mortgage Loans in Process of Foreclosure	
1.41	Farm Mortgages	\$
1.42	Residential Mortgages	\$
1.43	Commercial Mortgages	\$
1.44	Total Mortgages in Process of Foreclosure	\$
1.5	Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)	\$ _____
1.6	Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61	Farm Mortgages	\$
1.62	Residential Mortgages	\$
1.63	Commercial Mortgages	\$
1.64	Total Mortgages Foreclosed and Transferred to Real Estate	\$ _____
2.	Operating Percentages:	
2.1	A&H loss percent	%
2.2	A&H cost containment percent	%
2.3	A&H expense percent excluding cost containment expenses	%
3.1	Do you act as a custodian for health savings accounts?	Yes [] No [X]
3.2	If yes, please provide the amount of custodial funds held as of the reporting date	\$
3.3	Do you act as an administrator for health savings accounts?	Yes [] No [X]
3.4	If yes, please provide the balance of the funds administered as of the reporting date	\$
4.	Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?	Yes [] No [X]
4.1	If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?	Yes [X] No []

STATEMENT AS OF JUNE 30, 2018 OF THE CONSECO LIFE INSURANCE COMPANY OF TEXAS
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

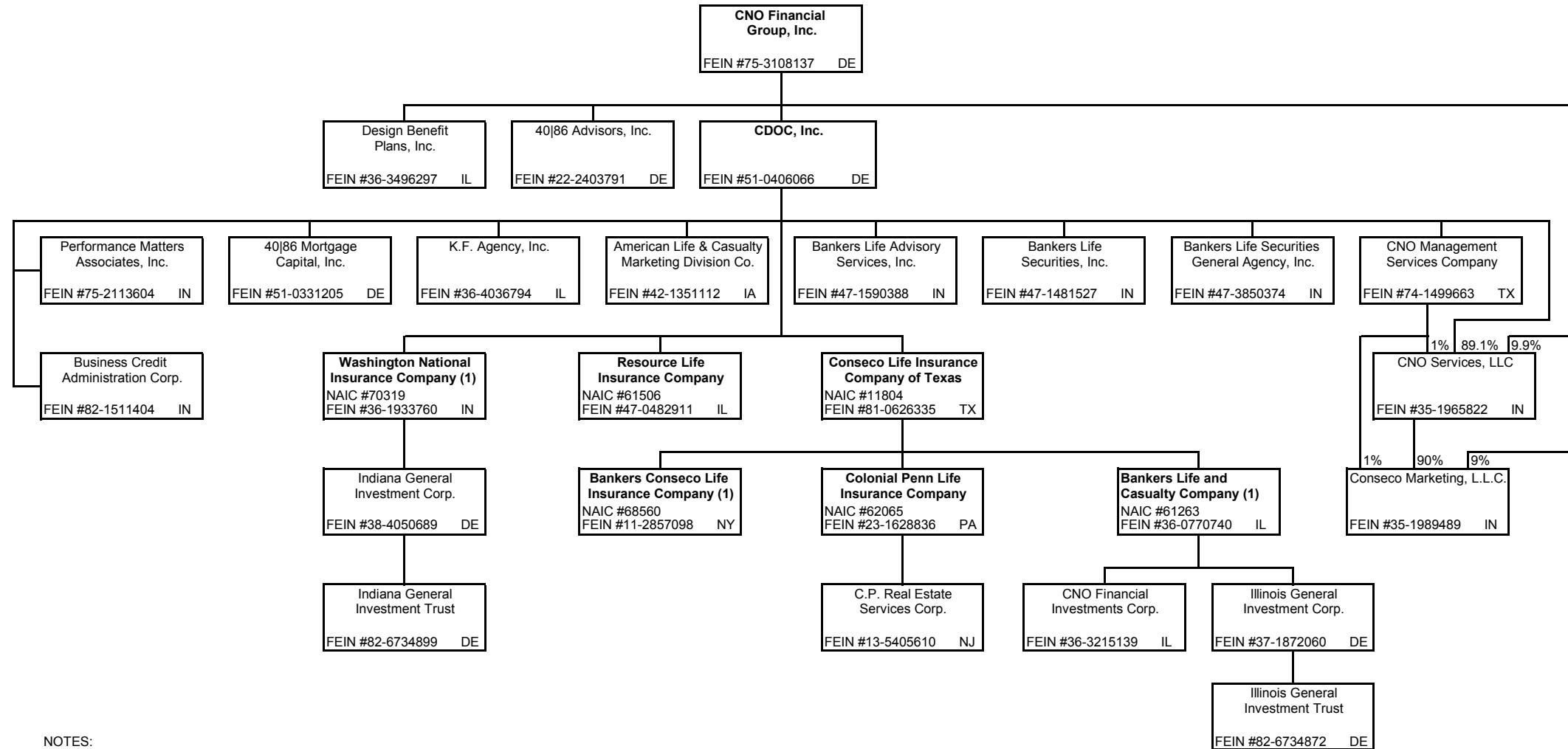
Current Year To Date - Allocated by States and Territories

States, Etc.	1	Life Contracts		Direct Business Only			7
		2	3	4	5	6	
	Active Status (a)	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 Through 5	Deposit-Type Contracts
1. Alabama	AL	N	236			236	
2. Alaska	AK	N					
3. Arizona	AZ	N	88			88	
4. Arkansas	AR	N	208			208	
5. California	CA	N					
6. Colorado	CO	N	25			25	
7. Connecticut	CT	N	70			70	
8. Delaware	DE	N					
9. District of Columbia	DC	N					
10. Florida	FL	N	189			189	
11. Georgia	GA	N	1,832			1,832	
12. Hawaii	HI	N					
13. Idaho	ID	N	84			84	
14. Illinois	IL	N					
15. Indiana	IN	N	124			124	
16. Iowa	IA	N					
17. Kansas	KS	N					
18. Kentucky	KY	N	291			291	
19. Louisiana	LA	N	482			482	
20. Maine	ME	N					
21. Maryland	MD	N					
22. Massachusetts	MA	N					
23. Michigan	MI	N					
24. Minnesota	MN	N					
25. Mississippi	MS	N					
26. Missouri	MO	N	152			152	
27. Montana	MT	N					
28. Nebraska	NE	N					
29. Nevada	NV	N					
30. New Hampshire	NH	N					
31. New Jersey	NJ	N					
32. New Mexico	NM	N					
33. New York	NY	N					
34. North Carolina	NC	N	197			197	
35. North Dakota	ND	N					
36. Ohio	OH	N					
37. Oklahoma	OK	N	62			62	
38. Oregon	OR	N					
39. Pennsylvania	PA	N					
40. Rhode Island	RI	N					
41. South Carolina	SC	N					
42. South Dakota	SD	N					
43. Tennessee	TN	N	210			210	
44. Texas	TX	L	60,128			60,128	
45. Utah	UT	N					
46. Vermont	VT	N					
47. Virginia	VA	N	42			42	
48. Washington	WA	N	101			101	
49. West Virginia	WV	N					
50. Wisconsin	WI	N					
51. Wyoming	WY	N	167			167	
52. American Samoa	AS	N					
53. Guam	GU	N					
54. Puerto Rico	PR	N					
55. U.S. Virgin Islands	VI	N					
56. Northern Mariana Islands	MP	N					
57. Canada	CAN	N					
58. Aggregate Other Aliens	OT	XXX					
59. Subtotal	XXX		64,687			64,687	
90. Reporting entity contributions for employee benefits plans	XXX						
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX		6,507			6,507	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX		1,484			1,484	
94. Aggregate or other amounts not allocable by State	XXX						
95. Totals (Direct Business)	XXX		72,678			72,678	
96. Plus Reinsurance Assumed	XXX		36			36	
97. Totals (All Business)	XXX		72,713			72,713	
98. Less Reinsurance Ceded	XXX		5,009			5,009	
99. Totals (All Business) less Reinsurance Ceded	XXX		67,704			67,704	
DETAILS OF WRITE-INS							
58001.	XXX						
58002.	XXX						
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX						
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX						
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX						
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX						

(a) Active Status Counts:
L - Licensed or Chartered - Licensed Insurance carrier or domiciled RRG..... 1
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....
N - None of the above - Not allowed to write business in the state..... 56

R - Registered - Non-domiciled RRGs.....
Q - Qualified - Qualified or accredited reinsurer.....

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**



NOTES:

All subsidiaries are 100% owned unless otherwise indicated.

Names of insurance companies and their parent companies are in bold letters.

(1) The following non-insurance investment entities are reported as affiliated in accordance with SSAP No. 25:

CreekSource LLC, Class A, Ownership interests: Bankers Life and Casualty Company 75%; Washington National Insurance Company 25%

Equipment Finance SPE II, LLC ("SPE II"), Ownership interests: Washington National Insurance Company 79.2%; Bankers Conseco Life Insurance Company 20.8%

In addition, Washington National Insurance Company is the Designated Manager and manages the business and affairs of SPE II.

The primary assets of this entity were sold on June 15, 2018, and the entity is expected to be dissolved in the near future.

Mill Creek II CLO Ltd., Ownership interests: Bankers Life and Casualty Company 40.3%; Washington National Insurance Company 13.4%; CreekSource LLC 46.3%

Tennenbaum Capital Partners, LLC, Interests: Bankers Life and Casualty Company 30% ownership; 24.9% voting rights

STATEMENT AS OF JUNE 30, 2018 OF THE CONSECO LIFE INSURANCE COMPANY OF TEXAS

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
.0233	CNO Financial Group, Inc.	68560	11-2857098				Bankers Conseco Life Insurance Company	NY	DS	Conseco Life Insurance Company of Texas	Ownership	100.000	CNO Financial Group, Inc.	N	
.0233	CNO Financial Group, Inc.	61263	36-0770740				Bankers Life and Casualty Company	IL	DS	Conseco Life Insurance Company of Texas	Ownership	100.000	CNO Financial Group, Inc.	N	
.0233	CNO Financial Group, Inc.	62065	23-1628836				Colonial Penn Life Insurance Company	PA	DS	Conseco Life Insurance Company of Texas	Ownership	100.000	CNO Financial Group, Inc.	N	
.0233	CNO Financial Group, Inc.	11804	81-0626335				Conseco Life Insurance Company of Texas	TX	RE	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
.0233	CNO Financial Group, Inc.	61506	47-0482911				Resource Life Insurance Company	IL	IA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
.0233	CNO Financial Group, Inc.	70319	36-1933760				Washington National Insurance Company	IN	IA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			38-4050689				Indiana General Investment Corp.	DE	NIA	Washington National Insurance Company	Ownership	100.000	CNO Financial Group, Inc.	Y	
			82-6734899				Indiana General Investment Trust	DE	NIA	Indiana General Investment Corp.	Ownership	100.000	CNO Financial Group, Inc.	N	
			13-5405610				C.P. Real Estate Services Corp.	NJ	DS	Colonial Penn Life Insurance Company	Ownership	100.000	CNO Financial Group, Inc.	N	
			36-3215139				CNO Financial Investments Corp.	IL	DS	Bankers Life and Casualty Company	Ownership	100.000	CNO Financial Group, Inc.	Y	
			37-1872060				Illinois General Investment Corp.	DE	DS	Bankers Life and Casualty Company	Ownership	100.000	CNO Financial Group, Inc.	Y	
			82-6734872				Illinois General Investment Trust	DE	DS	Illinois General Investment Corp.	Ownership	100.000	CNO Financial Group, Inc.	N	
			75-3108137		0001224608	New York Stock Exchange	CNO Financial Group, Inc.	DE	UIP	Publicly held				N	0100
			51-0406066				CDOC, Inc.	DE	LDP	CNO Financial Group, Inc.	Ownership	100.000	CNO Financial Group, Inc.	Y	
			22-2403791				40186 Advisors, Inc.	DE	NIA	CNO Financial Group, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			36-3496297				Design Benefit Plans, Inc.	IL	NIA	CNO Financial Group, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			75-2113604				Performance Matters Associates, Inc.	IN	NIA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			51-0331205				40186 Mortgage Capital, Inc.	DE	NIA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			36-4036794				K.F. Agency, Inc.	IL	NIA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			42-1351112				American Life & Casualty Marketing Division Co.	IA	NIA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			47-1590388				Bankers Life Advisory Services, Inc.	IN	NIA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			47-1481527				Bankers Life Securities, Inc.	IN	NIA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			47-3850374				Bankers Life Securities General Agency, Inc.	IN	NIA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			82-1511404				Business Credit Administration Corp.	IN	NIA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			74-1499663				CNO Management Services Company	TX	NIA	CDOC, Inc.	Ownership	100.000	CNO Financial Group, Inc.	N	
			35-1965822				CNO Services, LLC	IN	NIA	CDOC, Inc.	Ownership	89.100	CNO Financial Group, Inc.	N	
			35-1965822				CNO Services, LLC	IN	NIA	CNO Financial Group, Inc.	Ownership	9.900	CNO Financial Group, Inc.	N	
			35-1965822				CNO Services, LLC	IN	NIA	CNO Management Services Company	Ownership	1.000	CNO Financial Group, Inc.	N	
			35-1989489				Conseco Marketing, L.L.C.	IN	NIA	CNO Services, LLC	Ownership	90.000	CNO Financial Group, Inc.	N	
			35-1989489				Conseco Marketing, L.L.C.	IN	NIA	CNO Financial Group, Inc.	Ownership	9.000	CNO Financial Group, Inc.	N	
			35-1989489				Conseco Marketing, L.L.C.	IN	NIA	CNO Management Services Company	Ownership	1.000	CNO Financial Group, Inc.	N	

Asterisk	Explanation
0100	CNO Financial Group, Inc. is the Ultimate Controlling Entity of the Holding Company Group.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

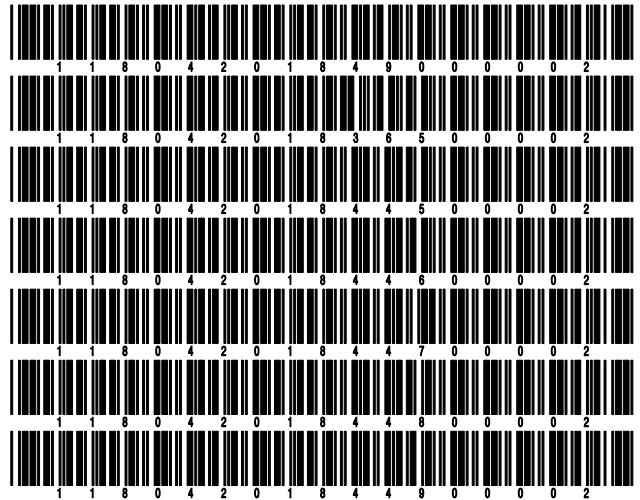
	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	NO
6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	NO
7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?	NO

Explanation:

1. None
2. None
3. None
4. None
5. None
6. None
7. None

Bar Code:

1. Trusteed Surplus Statement [Document Identifier 490]
2. Medicare Part D Coverage Supplement [Document Identifier 365]
3. Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 445]
4. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 446]
5. Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI [Document Identifier 447]
6. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI [Document Identifier 448]
7. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) [Document Identifier 449]



NONE

STATEMENT AS OF JUNE 30, 2018 OF THE CONSECO LIFE INSURANCE COMPANY OF TEXAS

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage investment and commitment fees		
9. Total foreign exchange change in book value/recorded investment including accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,344,052,633	1,288,057,653
2. Cost of bonds and stocks acquired	8,500,000	24,300,000
3. Accrual of discount	1,718	4,528
4. Unrealized valuation increase (decrease)	48,193,767	33,066,954
5. Total gain (loss) on disposals		134,917
6. Deduct consideration for bonds and stocks disposed of	2,060	1,505,808
7. Deduct amortization of premium	2,914	5,611
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	1,400,743,144	1,344,052,633
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	1,400,743,144	1,344,052,633

STATEMENT AS OF JUNE 30, 2018 OF THE CONSECO LIFE INSURANCE COMPANY OF TEXAS

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	4,870,047		1,322	(762)	4,870,047	4,867,963		5,344,918
2. NAIC 2 (a)	4,470,073			168	4,470,073	4,470,241		3,996,539
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	9,340,120		1,322	(594)	9,340,120	9,338,204		9,341,457
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	9,340,120		1,322	(594)	9,340,120	9,338,204		9,341,457

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$; NAIC 2 \$; NAIC 3 \$ NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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Schedule DA - Part 1 - Short-Term Investments

NONE

Schedule DA - Verification - Short-Term Investments

NONE

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

NONE

Schedule DB - Part B - Verification - Futures Contracts

NONE

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

NONE

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

NONE

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of
Derivatives

NONE

SCHEDULE E - PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of cash equivalents acquired	290,089,542	8,052,795,906
3. Accrual of discount	10,458	329,094
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(2,811)	
6. Deduct consideration received on disposals	260,500,000	8,053,125,000
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	29,597,189	
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	29,597,189	

Schedule A - Part 2 - Real Estate Acquired and Additions Made

NONE

Schedule A - Part 3 - Real Estate Disposed

NONE

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

NONE

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

NONE

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made

NONE

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

NONE

Schedule D - Part 3 - Long-Term Bonds and Stocks Acquired

NONE

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SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22				
										11	12	13	14	15											
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)				
31292H-Q3-1	FG 001374		06/01/2018	MBS PAYDOWN		1,208	1,208	1,212	1,208						1,208				26	06/01/2032	1				
31388W-6X-9	FN 617486		06/01/2018	MBS PAYDOWN		114	114	114	114						114				3	12/01/2031	1				
3199999. Subtotal - Bonds - U.S. Special Revenues						1,322	1,322	1,326	1,322						1,322				29		XXX	XXX			
8399997. Total - Bonds - Part 4						1,322	1,322	1,326	1,322						1,322				29		XXX	XXX			
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX		
8399999. Total - Bonds						1,322	1,322	1,326	1,322						1,322				29		XXX	XXX			
8999997. Total - Preferred Stocks - Part 4								XXX														XXX	XXX		
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX	
8999999. Total - Preferred Stocks								XXX															XXX	XXX	
9799997. Total - Common Stocks - Part 4								XXX															XXX	XXX	
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX	
9799999. Total - Common Stocks								XXX																XXX	XXX
9899999. Total - Preferred and Common Stocks								XXX																XXX	XXX
9999999 - Totals						1,322	XXX		1,326	1,322						1,322				29		XXX	XXX		

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

NONE

Schedule DB - Part B - Section 1 - Futures Contracts Open

NONE

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

NONE

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open

NONE

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By

NONE

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To

NONE

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

NONE

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

NONE

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SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
The Northern Trust Company ... Chicago, IL		1.670	6,780		481,892	524,910	452,848	XXX
0199998. Deposits in ... 2 depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX			104,926	127,391	108,676	XXX
0199999. Totals - Open Depositories	XXX	XXX	6,780		586,818	652,301	561,524	XXX
0299998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories	XXX	XXX						XXX
0299999. Totals - Suspended Depositories	XXX	XXX						XXX
0399999. Total Cash on Deposit	XXX	XXX	6,780		586,818	652,301	561,524	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999. Total - Cash	XXX	XXX	6,780		586,818	652,301	561,524	XXX

