

FINANCIAL STABILITY

The financial condition of a Health Insurance Provider (including Accident Insurance Provider) is an important factor in public confidence. In this regard we believe the financial factors listed below are significant. The following is a COMPARATIVE ANALYSIS of these basic factors, comparing

FAMILY HERITAGE LIFE INSURANCE COMPANY OF AMERICA

with 25 of the largest insurance carriers in the United States in Health-Accident premiums earned.

KEY FINANCIAL RATIOS - DERIVED FROM THE ANNUAL STATEMENTS AS OF DECEMBER 31, 2010

(The 25 largest companies are 25 of the largest by the amount of Health-Accident premiums earned as of December 31, 2010)

SOLVENCY

A wide margin of Assets over Liabilities can be a significant safety factor. This indicates financial soundness and a Company's ability to meet all obligations as they become due.

Assets for each \$100 of Liabilities as of Dec. 31, 2010.

Aetna Life Insurance Company, CT
 American Family Life Assurance Co., GA
 American Republic Insurance Company, IA
 Bankers Life & Casualty Company, IL
 Combined Insurance Company of America, IL
 Connecticut General Life Ins. Co., CT
 Golden Rule Insurance Company, IN
 Guardian Life Ins. Co. of America, NY
 Hartford Life & Accident Ins. Co., CT
 Humana Insurance Company, Inc., WI
 John Hancock Life Insurance (USA), MI
 Life Ins. Co. of North America, PA
 Mega Life and Health Ins. Co., OK
 Metropolitan Life Insurance Co., NY
 Mutual of Omaha Insurance Company, NE
 Northwestern Mutual Life Ins. Co., WI
 Principal Life Insurance Co., IA
 Provident Life and Accident Ins. Co., TN
 Pyramid Life Insurance Company, FL
 Standard Insurance Company, OR
 Time Insurance Company, WI
 Unicare Life and Health Ins. Co., DE
 United American Insurance Co., DE
 UnitedHealthcare Insurance Co., CT
 UNUM Life Ins. Co. of America, ME

AVERAGE OF 25 OF THE LARGEST HEALTH-ACCIDENT CO'S. \$107.69

FAMILY HERITAGE LIFE..... \$112.60

SURPLUS FUNDS

(Including Capital, if any) Per \$100 of Liabilities: A substantial surplus ratio may indicate a company's ability to take emergencies in stride. It shows the amount of excess funds to total liabilities.

AVERAGE OF 25 OF THE LARGEST HEALTH-ACCIDENT CO'S. \$7.69

FAMILY HERITAGE LIFE..... \$12.60

LIQUID ASSETS

Assets in Bonds, Stocks, Cash and Short-Term Investments for each \$100 of Liabilities: A high ratio may indicate a more liquid investment position to cover unforeseen emergency cash requirements that may arise.

AVERAGE OF 25 OF THE LARGEST HEALTH-ACCIDENT CO'S. \$56.05

FAMILY HERITAGE LIFE..... \$110.75

FINANCIAL STATEMENT SUMMARY**AS OF DECEMBER 31, 2010**

Premium Income	Net Investment Income
\$145,867,627	\$ 20,833,507
Admitted Assets	Total Liabilities
\$431,934,801	\$383,603,666
Gross Surplus	
\$48,331,135	

CONCLUSION

Based on the financial results achieved in the year ended 2010, the comparative analysis made of the organization featured herein is **favorable** when compared to the aggregate averages of 25 of the LARGEST HEALTH-ACCIDENT COMPANIES.