

**STATE OF NORTH DAKOTA
BISMARCK, NORTH DAKOTA**

**REPORT OF EXAMINATION
OF**

**PIONEER MUTUAL LIFE INSURANCE COMPANY
a stock subsidiary of American United
Mutual Insurance Holding Company
FARGO, NORTH DAKOTA**

**AS OF
DECEMBER 31, 2014**

STATE OF NORTH DAKOTA
DEPARTMENT OF INSURANCE

I, the undersigned, Commissioner of Insurance of the State of North Dakota do hereby certify that I have compared the annexed copy of the Report of Examination of the

Pioneer Mutual Life Insurance Company
a stock subsidiary of American United Mutual Insurance Holding Company
Fargo, North Dakota

as of December 31, 2014, with the original on file in this Department and that the same is a correct transcript therefrom and of the whole of said original.

IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official seal at my
office in the City of Bismarck, this 25th day of
January, 2016.




Adam Hamm
Commissioner

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November 13, 2015
Fargo, North Dakota

Honorable Adam Hamm
Commissioner
North Dakota Insurance Department
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505-0320

Dear Commissioner:

Pursuant to the authority vested in the North Dakota Insurance Department appointment letter, an examination has been made of the affairs and financial condition of

**Pioneer Mutual Life Insurance Company
One American Square
Indianapolis, Indiana 46282**

hereinafter referred to as the "Company" or "PMLIC," a North Dakota domestic stock life insurance company. The examination was conducted at the corporate offices of the Company in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2014, is hereby respectfully submitted.

SCOPE OF EXAMINATION

This examination was a risk-focused financial condition examination conducted in accordance with N.D.C.C. § 26.1-03-19.3 and observed guidelines and procedures contained in the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook* (Handbook). The examination was conducted to determine the Company's financial condition, to assure its compliance with statutes, and to review its corporate affairs and insurance operations. This statutory examination covered the five-year period beginning January 1, 2010, and ending December 31, 2014, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this statutory examination.

Our examination was conducted in accordance with examination policies and standards established by the North Dakota Insurance Department (NDID) and procedures recommended by the NAIC. In accordance with the NAIC Handbook, we planned and performed the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles, Annual Statement instructions and, when applicable, domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

The examination included a review of the corporate records and other selected records deemed pertinent to the Company's operations and practices. In addition, the NAIC IRIS ratio reports, the A.M. Best rating report, the Company's independent audit reports, certain workpapers prepared by the Company's independent certified public accountant and other reports as considered necessary were reviewed and utilized where applicable within the scope of this examination.

This examination was conducted as part of a coordinated examination with the Indiana Department of Insurance (INDOI) serving as the lead state and included the three insurance companies in the American United Mutual Insurance Holding Company Group:

American United Life Insurance Company
The State Life Insurance Company
Pioneer Mutual Life Insurance Company

The examination of reserves and the information technology system (IT) review were performed for all companies in the group by firms selected by the INDOI and the NDID. Actuarial Options, LLC, performed an analysis of the group's reserve methodology and compliance with minimum reserve standards and Noble Consulting Services, Inc. (Noble), performed the information systems (Exhibit C) review.

This Report of Examination is confined to significant adverse findings, material changes in the financial statements, or other information of regulatory significance or requiring regulatory action. The Report of Examination comments on matters that involved departures from laws, regulations or rules, or which were deemed to require special explanation or description.

STATUS OF PRIOR EXAM FINDINGS

All recommendations made in the prior report of statutory examination have been adequately addressed by the Company.

SUMMARY OF SIGNIFICANT FINDINGS

There were no findings noted in this examination that were considered significant. Findings considered material are summarized in the Recommendations section of this Report of Examination.

HISTORY

PMLIC was incorporated on November 3, 1947, as a legal reserve mutual life insurance company. The Company is an outgrowth of the society known as the Ancient Order of United Workman (AOUW) which originated in Meadville, Pennsylvania, in 1868. As an assessment organization, it issued charters to various divisions of the United States. In 1889, the Grand

Lodge of the Dakotas was formed and conducted business under that charter until 1895, at which time it split along state boundaries into two independent orders. The North Dakota fraternal eventually absorbed the Grand Lodges of various states through a succession of mergers and mutualized itself in 1947. In 1948, the AOUW officially changed its name to PMLIC. PMLIC was the first company to write hospital, medical, and surgical insurance on a noncancelable and guaranteed-renewable-to-age-65 basis.

Effective April 18, 1991, the Company entered into a facilities service agreement with Coordinated Insurance Services, Inc. (CIS), a subsidiary of Noridian Mutual Insurance Company (Noridian) (now Noridian Insurance Services, Inc.) and further provided that all of the Company's employees would become employees of Noridian. The service agreement was terminated as of December 31, 2001, as a result of the plan of reorganization that became effective January 1, 2002.

On March 22, 2000, the Company entered into an affiliation agreement with American United Life Insurance Company (AULIC) for the purpose of broadening product lines and pursuing strategic alliances. On December 20, 2001, the policy owner members of the Company approved a plan of reorganization under which the Company reorganized from a mutual insurance company to a stock company wholly owned by American United Mutual Insurance Holding Company (AUMIHC). The Plan of Reorganization had previously been approved by the NDID and the INDOI on October 8, 2001, and October 16, 2001, respectively. The AUMIHC members approved the reorganization plan on December 13, 2001.

On January 1, 2002, the Company merged with AUMIHC. The merger converted the Company from a mutual to a stock insurance company, OneAmerica Financial Partners, Inc. (OAFP). In 2009, the Company closed its Fargo, North Dakota, office and moved the majority of its operations to Indianapolis, Indiana, as a means of providing economies of scale. As part of this process, the shareholders elected to remove the prior appointed directors and appoint new directors based in Indianapolis and already part of the AUMIHC Group.

All 30,000 common shares issued and outstanding of the Company were issued to AUMIHC through OAFP. AUMIHC will, at all times, control at least a majority of the voting shares of the capital stock. Policyholder membership rights exist at AUMIHC while the policyholder contract rights remain with the Company.

CAPITAL AND SURPLUS

As of December 31, 2014, the Company had 30,000 shares of common stock with a par value of \$100 per share, of which 30,000 were issued and outstanding. The Company has no preferred stock outstanding. The Company did not pay any shareholder dividends during the examination period.

During the examination period, there were no changes to paid-in and contributed surplus and no surplus notes were issued or outstanding.

MANAGEMENT AND CONTROL

Annual Shareholder Meetings

The Bylaws provide that the annual meeting of the shareholders shall be held on the third Thursday in February each year for the purpose of electing directors and for the transaction of such other business as may come before the members.

Special meetings of the shareholders may be called by the Chief Executive Officer of the Company, by the Board of Directors (Board), or by shareholders holding 25 percent or more of the voting power of the Company.

At the meeting of shareholders, a majority of the votes entitled to be cast on a matter at the meeting constitutes a quorum.

Board of Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board consisting of no less than 6 and no more than 18 directors, the number of which for each year as determined from time to time by resolution of the Board. Directors are elected at the annual shareholders meeting and serve for one year and until a successor is duly elected and qualified.

The Bylaws state an annual meeting of the directors shall be held as soon as practical after the annual shareholder meeting. The Board meets quarterly. Special meetings of the Board may be called by or at the request of the Chairman of the Board, or by any seven directors, upon five days' notice. Directors duly elected and serving at December 31, 2014, together with their addresses and business affiliations are as follows:

<u>Name and Address</u>	<u>Business Affiliation</u>
James Scott Davison Zionsville, Indiana	Chairman, President, and Chief Executive Officer OneAmerica Financial Partners, Inc.
Patrick Michael Foley Fishers, Indiana	President, Individual Life and Financial Services OneAmerica Financial Partners, Inc.
Jeffrey David Holley Zionsville, Indiana	Executive VP, Chief Financial Officer, and Treasurer OneAmerica Financial Partners, Inc.
Thomas Michael Zurek Carmel, Indiana	Executive Vice President, General Counsel, and Secretary OneAmerica Financial Partners, Inc.
Mark Cameron Roller Carmel, Indiana	Executive Vice President OneAmerica Financial Partners, Inc.
John Charles Mason Fishers, Indiana	Senior Vice President OneAmerica Financial Partners, Inc.

Officers

The Bylaws state that the elected officers of the Company shall consist of a Chairman of the Board, a President, a Chief Executive Officer, one or more Senior Vice Presidents, one or more additional Vice Presidents, a General Counsel, a Treasurer, a Secretary, a Controller, a Chief Actuary, and such other officers as the Board may elect. The Chairman of the Board shall be chosen from among the directors of the Company, and if the Chairman of the Board ceases to be a director, he or she shall cease to hold that office as soon as his or her successor is elected and qualified. More than one office may be held by the same person, except the duties of the President and Secretary shall not be performed by the same person.

The following is a list of key officers and their respective titles as of December 31, 2014:

<u>Officer</u>	<u>Title</u>
James Scott Davison	Chairman, President, and Chief Executive Officer
Jeffrey David Holley	Executive Vice President, Chief Financial Officer, and Treasurer
Tom Michael Zurek	Executive Vice President, General Counsel, and Secretary
Stephen James McWilliams	Appointed Actuary
John Charles Mason	Senior Vice President and Chief Investment Officer
Douglas Wayne Collins	Vice President
James Charles Crampton	Vice President and Tax Director
Andrew John Michie	Vice President and Controller
Jay Brian Williams	Vice President and Chief Compliance Officer

Committees

In accordance with the Bylaws, if considered necessary, the standing committees of the Board of Directors will be the following: Audit Committee, Compensation and Nominating Committee, Executive Committee, and Finance Committee. At the annual meeting, the Board designates the members of each standing committee and names the chairman thereof. It was also noted unless the Board has established standing committees, the duties of such standing committees shall be performed by the corollary standing committee of AUMIHC.

CORPORATE RECORDS

Articles of Incorporation and Bylaws

The Articles of Incorporation and Bylaws, including all amendments thereto, were reviewed by the Examiners. There were no amendments made to the Articles of Incorporation or Bylaws during the examination period.

Under Article V, Section V, of the Bylaws, the directors are required to sign an Oath of Office when they are elected annually. Examiners noted the Oaths of Office for all but one of the directors was not current.

It is again recommended that the Company comply with Article V, Section V, of the Bylaws and ensure elected directors sign an Oath of Office each year when they are elected.

Minutes of Meetings of the Shareholders and Board of Directors

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

The AUMIHC committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, Executive Committee, and Investment Committee.

Conflict of Interest

Directors and officers are required to review and sign Conflict of Interest statements annually for disclosure of any possible conflicts. The policy statement requires all directors, officers, and responsible employees to annually complete and sign a questionnaire relating to possible conflicts. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2014.

FIDELITY BOND AND OTHER INSURANCE

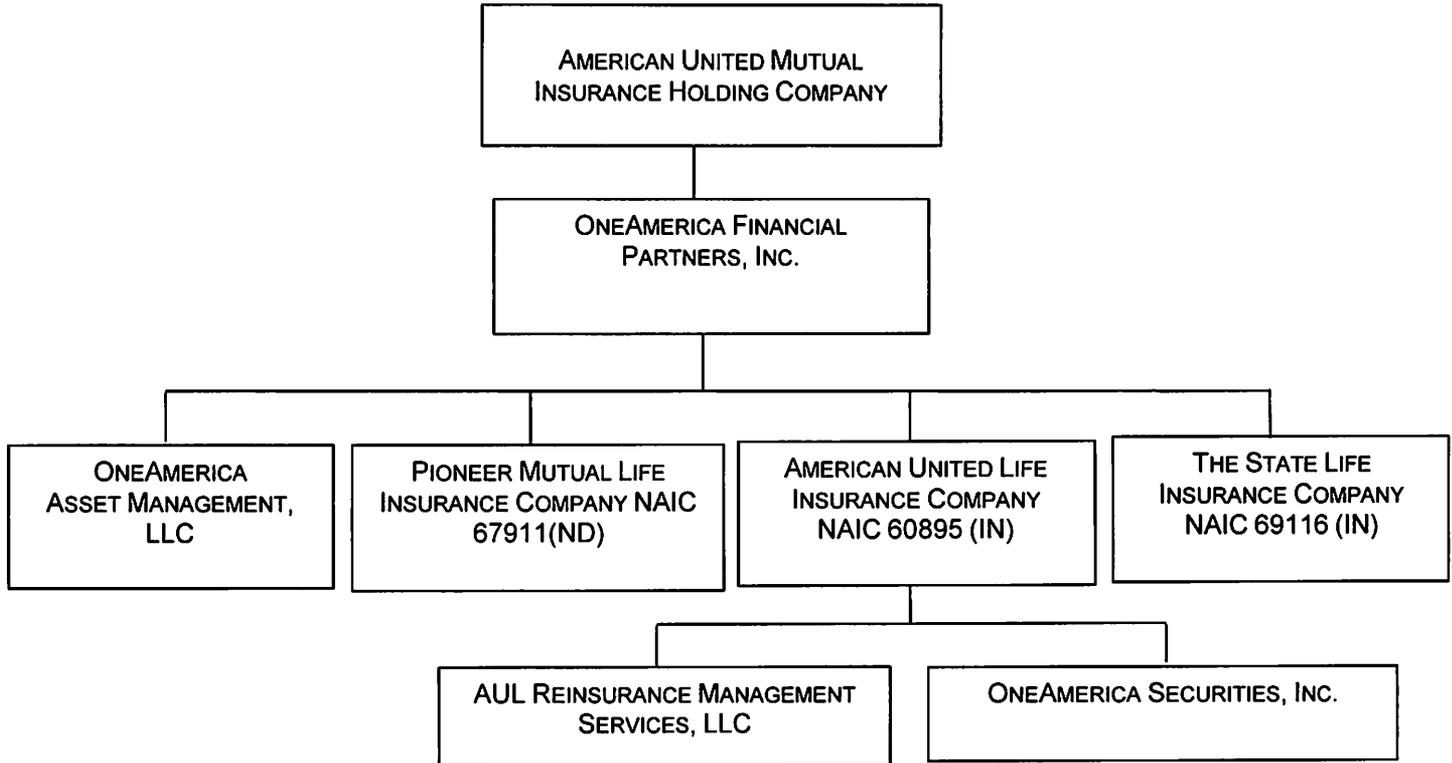
The Company protects itself against loss from any fraudulent or dishonest acts by any employee through a fidelity bond issued by Fidelity & Deposit Company of Maryland. The bond covers the AUMIHC Group for fidelity, forgery and alteration, securities, and computer fraud and has an aggregate loss liability limit of \$30,000,000 with a deductible amount of \$250,000. With regard to forgery and alteration and securities, there is a single loss limit of liability of \$15,000,000 with a \$250,000 deductible.

The Company is also covered on other types of coverage including, but not limited to Directors and Officers Liability, Excess Liability, Sponsored Agents E&O, and Umbrella Liability.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent and the subsidiaries relevant to the examination as of December 31, 2014:



Cost Sharing and Other Agreements

Affiliation Agreement and Guarantees

On March 22, 2000, the Company entered into an Affiliation Agreement with AULIC. The Agreement required AULIC to file an application to reorganize itself under the Indiana mutual insurance holding company law and for the Company to reorganize under AULIC's mutual holding company structure. Both companies retained their respective names and assets, liabilities, and capital and surplus. The Company moved its operations from Fargo, North Dakota, to AUMIHC's home office in Indianapolis, Indiana, in 2009.

According to Section 1.7 of the Affiliation Agreement, AULIC and PMLIC shall each recognize a special responsibility to the other companies' policyholders and subsidiaries' policyholders. To this end, each company shall guarantee the insurance liabilities of the other companies and the other companies' subsidiaries to their respective policyholders, including those policyholders acquired by each company following the Company's reorganization date. Insurance liabilities mean the contractual benefits owing by the applicable company or subsidiary to its

policyholders under the terms of its various insurance and annuity policies and contracts validly issued.

Services and Administrative Fees Agreement

The Company entered into an agreement with AULIC effective September 1, 2004, for AULIC to provide support services to the PMLIC including finance, accounting, tax, internal auditing, underwriting, claims administration, premium billing and collection, policyholder servicing, advertising and sales promotional services. Fees paid to AULIC for services provided for the benefit of PMLIC are set annually by AULIC and approved annually by PMLIC's Board of Directors. In 2014, the amount paid to AULIC for service provided under this agreement was \$3,660,111.

Tax Sharing Agreement

The Company entered into a Tax Sharing Agreement with AULIC on May 7, 2008. The method of allocation between the companies is based upon separate return calculations with current credit for losses and tax credits. Intercompany tax balances are settled quarterly.

Investment Management Services Agreements

Effective January 1, 2013, AULIC ceased providing investment management services to PMLIC and One America Asset Management, LLC (OAM) became the investment adviser to PMLIC. The Investment Management Services Agreement between OAM and PMLIC was approved by the NDID on December 28, 2012. Under this agreement, OAM acts as an investment manager for PMLIC for a fee. PMLIC pays OAM a rate determined annually sufficient to cover OAM's expenses attributable to the work performed by OAM for the benefit of PMLIC. In 2014, the fees PMLIC paid to OAM for investment management services were \$464,993.

Loan Agreement

In 2008, AULIC, State Life Insurance Company (SLIC), PMLIC, and OAFP entered into a Loan Agreement under which they make certain loans to one another, on an ongoing basis, for liquidity and general corporate purposes. No loans have been made or are outstanding pursuant to these loan agreements as of December 31, 2014.

PENSION AND INSURANCE PLANS

PMLIC has no employees. All personnel are employees of AULIC and provide services to PMLIC pursuant to the terms of a service agreement.

Consolidated/Holding Company Plans

OAFP sponsors a qualified, noncontributory defined benefit pension plan covering substantially all of its employees. OAFP charges AULIC and then AULIC allocates to its affiliates a share of the total cost of the pension plan based on allocation and/or salary ratios. The Company has no legal obligation for benefits under this plan.

AULIC sponsors a defined contribution plan that covers substantially all employees. The plan is a profit-sharing arrangement under Section 401(k) of the Internal Revenue Code, which also includes a salary/reduction saving feature. AULIC contributes a match for participants who complete one full calendar year of employment. The match is 50 percent of a participant's elective deferral amounts on the first 6 percent of eligible compensation. Matching contributions are capped at three percent of eligible compensation. The Company has no legal obligation for benefits under this plan.

AULIC sponsors a post retirement benefit plan, which provides certain dental, health, life, and vision benefits upon retirement. AULIC allocates to the Company a share of the total accumulated costs of these postretirement benefits. The Company has no legal obligation for the benefits under this plan.

STATUTORY DEPOSITS

The Company reported the following statutory deposits at December 31, 2014:

<u>Where Deposited</u>	<u>Security</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Fair Value</u>
Arkansas	Bond	\$ 200,000	\$ 199,840	\$ 199,720
Georgia	Bond	50,000	49,999	50,004
Indiana	Bond	142,000	141,912	141,999
Massachusetts	Bond	100,000	99,922	99,960
New Hampshire	Bond	500,000	499,567	498,750
New Mexico	Bond	150,000	149,998	150,013
North Carolina	Bond	400,000	399,995	400,036
South Carolina	Bond	75,000	74,999	75,007
Texas	Bond	150,000	149,998	150,014
Virginia	Bond	220,000	219,997	220,020
North Dakota	Bond	1,858,000	1,859,767	1,904,439
Total Deposits		<u>\$3,845,000</u>	<u>\$3,845,994</u>	<u>\$3,889,962</u>

The bond on deposit with the State of North Dakota is held for the protection of all policyholders.

TERRITORY AND PLAN OF OPERATION

The company is licensed to write business in all states and the District of Columbia, except Alaska and New York. The Company markets individual life insurance products through a personal producing general agency (PPGA) distribution system. The Company has one regional vice president and five managing general agents who are responsible for recruiting, selecting, and servicing PPGAs. Currently, PMLIC primarily sells universal life products, which is not considered a growth area for OAFP. At December 31, 2014, the Company had 608 agents under contract and \$1.7 billion of life insurance in force, net of reinsurance ceded. Its universal life products may also be sold by AULIC career agents who hold licenses with PMLIC.

GROWTH OF THE COMPANY

The following exhibit summarizes the financial results of the Company during the examination period:

Year	Admitted Assets	Liabilities	Capital and Surplus	Net Premiums	Net Income
2014	\$511,371,179	\$473,026,029	\$38,345,150	\$26,416,999	(\$2,454,774)
2013	500,077,195	460,150,761	39,926,434	24,673,786	(1,355,798)
2012	492,207,698	451,062,951	41,144,747	26,145,502	1,598,961
2011	486,846,463	447,607,302	39,239,161	25,362,136	3,479,758
2010	477,521,124	441,986,338	35,534,786	28,102,479	3,920,352
2009	476,310,034	444,803,562	31,506,472	36,120,481	958,322

Between 2009 and 2014, Admitted Assets and Liabilities increased by 7.4 percent and 6.3 percent, respectively. Surplus increased over the same period by 21.7 percent, including the net operating losses in 2013 and 2014. Those losses were largely due to additional reserves of \$5 million in both 2013 and 2014 for asset adequacy as a result of declining interest margins. Net earned premiums have been uneven, year to year, but have fallen by 26.9 percent over the exam period.

REINSURANCE

Reinsurance Assumed

The Company assumed no reinsurance during the examination period.

Reinsurance Ceded

The Company reinsures its permanent life insurance business through yearly renewable term (YRT) agreements with a variety of reinsurers. Prior to becoming a subsidiary of AUMIHC in 2002, the Company retained life insurance risk up to \$200,000 per risk to age 40 for standard risks and \$200,000 per risk graded down to \$50,000 for ages over 40. Subsequent to 2001, new permanent life contracts, including universal life, include a base retention of \$500,000 per standard life under the Company's new YRT agreements.

For contracts sold prior to 2002, the Company coinsures universal life at 50 percent and coinsures term life sales at 80 percent under various reinsurance agreements. Subsequent to 2001, the Company coinsures its term life contracts at 90 percent.

The Company entered into no new ceded reinsurance contracts during the examination period; however, effective March 29, 2014, the Company amended an existing contract to increase its individual life retention to \$1 million from \$250,000.

One reinsurance contract accounts for 77.8 percent of the Company's reserve credits ceded at December 31, 2014, as shown below:

Type:	Coinsurance
Reinsurer:	Transamerica Life Insurance Company
Retention:	50 percent quota share
Coverage:	50 percent quota share
Premium:	Scheduled
Effective Date:	January 13, 1995
Termination:	90 days written notice

All treaties subject to reserve credit limitations contain an insolvency clause as required by N.D.C.C § 26.1-02-21.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2013, and December 31, 2014, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2010, through December 31, 2014, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

FINANCIAL STATEMENTS

The following pages present a Statement of Assets, Liabilities, Surplus, and Other Funds as of December 31, 2014. This statement is followed by supporting statements and reconciliation presented in the following order:

- Statement of Assets, Liabilities, Surplus, and Other Funds, December 31, 2014
- Summary of Operations, Year 2014
- Reconciliation of Capital and Surplus, January 1, 2010 through December 31, 2014

Pioneer Mutual Life Insurance Company
Assets
as of December 31, 2014

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$426,892,881		\$426,892,881
Mortgage loans on real estate:			
First liens	34,245,584		34,245,584
Cash, cash equivalents and short-term investments	9,985,347		9,985,347
Contract loans	26,208,799		26,208,799
Other invested assets	254,941		254,941
Receivables for securities	500,000		500,000
Investment income due and accrued	4,519,909		4,519,909
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	177,230		177,230
Deferred premiums and agents' balances and installments booked but deferred and not yet due	1,734,130		1,734,130
Reinsurance:			
Amounts recoverable from reinsurers	1,507,611	\$ 22,319	1,485,292
Current federal and foreign income tax recoverable and interest thereon	554,869		554,869
Net deferred tax asset	13,486,560	8,930,980	4,555,580
Guaranty funds receivable or on deposit	256,617		256,617
Aggregate write-ins for other invested assets	5,747	5,747	0
Totals	\$520,330,225	\$ 8,959,046	\$511,371,179

Pioneer Mutual Life Insurance Company
Liabilities, Surplus, and Other Funds
as of December 31, 2014

Aggregate reserve for life contracts	\$447,246,038
Aggregate reserve for accident and health contracts	6,356
Liability for deposit-type contracts	15,719,727
Contract claims:	
Life	1,990,287
Provision for policyholders' dividends and coupons payable in the following calendar year – estimated amounts:	
Dividends apportioned for payment	444,271
Premiums and annuity considerations for life and accident and health contracts received in advance less discount; including accident and health premiums	12,737
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance, including assumed and ceded	466,449
Interest maintenance reserve	397,803
Commissions to agents due or accrued-life and annuity contracts, accident and health and deposit-type contract funds	23,582
Taxes, licenses and fees due or accrued, excluding federal income taxes	630,555
Unearned investment income	37,947
Amounts withheld or retained by company as agent or trustee	1,180
Remittances and items not allocated	2,516,220
Miscellaneous liabilities:	
Asset valuation reserve	2,433,792
Payable to parent, subsidiaries and affiliates	301,382
Payable for securities	12,850
Aggregate write-ins for liabilities	<u>784,853</u>
Total Liabilities	\$473,026,029
 Common capital stock	 3,000,000
 Gross paid in and contributed surplus	 7,000,000
Aggregate write-ins for special surplus funds	700,000
Unassigned funds (surplus)	<u>27,645,150</u>
Surplus	35,345,150
 Total Capital and Surplus	 <u>\$ 38,345,150</u>
 Total Liabilities and Surplus	 <u>\$511,371,179</u>

Pioneer Mutual Life Insurance Company
Summary of Operations
for the Year Ended December 31, 2014

Premiums and annuity considerations for life and accident and health contracts	\$ 26,416,999
Net investment income	25,719,016
Amortization of Interest Maintenance Reserve	197,110
Commissions and expense allowances on reinsurance ceded	178,176
Miscellaneous income:	
Aggregate write-ins for miscellaneous income	<u>4,279</u>
Total	\$ 52,515,580
Deduct:	
Death benefits	13,482,672
Matured endowments (excluding guaranteed annual pure endowments)	152,006
Annuity benefits	3,850,726
Disability benefits and benefits under accident and health contracts	154,080
Surrender benefits and withdrawals for life contracts	14,776,492
Interest and adjustments on contract or deposit-type contract funds	455,892
Payments on supplementary contracts with life contingencies	6,000
Increase in aggregate reserves for life and accident and health contracts	<u>12,932,851</u>
Total	\$ 45,810,719
Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	1,910,837
General insurance expenses	4,538,502
Insurance taxes, licenses and fees, excluding federal income taxes	880,774
Increase in loading on deferred and uncollected premiums	(44,942)
Aggregate write-ins for deductions	<u>33,272</u>
Total	\$ 53,129,162
Net gain from operations before dividends to policyholders and federal income taxes	(613,582)
Dividends to policyholders	<u>429,471</u>
Net gain from operations after dividends to policyholders and before federal income taxes	\$ (1,043,053)
Federal and foreign income taxes incurred (excluding tax on capital gains)	<u>1,425,182</u>
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	\$ (2,468,235)
Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax (excluding taxes transferred to the IMR)	<u>13,461</u>
Net income	<u>\$ (2,454,774)</u>

Pioneer Mutual Life Insurance Company
Reconciliation of Capital and Surplus Account

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Capital and surplus, December 31, prior year	\$39,926,434	\$41,144,747	\$39,239,161	\$35,534,785	\$31,506,472
Net income	(2,454,774)	(1,355,798)	1,598,961	3,479,758	3,920,352
Change in net unrealized capital gains or (losses) less capital gains tax	(4)	73,429	33,114	(27,291)	28,158
Change in net deferred income tax	1,864,292	1,570,092	15,194	41,009	(222,644)
Change in nonadmitted assets	(1,304,197)	(1,517,779)	(80,695)	299,417	607,665
Change in asset valuation reserve	313,399	11,742	339,012	(88,517)	(305,219)
Net change in capital and surplus for the year	<u>(1,581,284)</u>	<u>(1,218,314)</u>	<u>1,905,586</u>	<u>3,704,376</u>	<u>4,028,312</u>
Capital and surplus, December 31, current year	<u>\$38,345,150</u>	<u>\$39,926,434</u>	<u>\$41,144,747</u>	<u>\$39,239,161</u>	<u>\$35,534,785</u>

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2014, based on the results of this examination.

SUBSEQUENT EVENTS

On September 30, 2015, OAFP acquired Bank of Montreal's Milwaukee-based U.S. retirement services business, BMO Retirement Services. The deal will add approximately \$26 billion to OneAmerica's assets under administration, bringing the total to more than \$70 billion. The business adopted the name OneAmerica Retirement Services, LLC (OARS). Business operations will continue from BMO Retirement Services' current locations, and most clients will continue to work with their current service teams. The retirement services businesses of OneAmerica serves more than 11,000 plans and have more than \$30 billion in retirement assets under administration.

CONCLUSION

The financial condition of the Company, as of December 31, 2014, as determined by this examination is summarized as follows:

Admitted Assets		<u>\$511,371,179</u>
Total Liabilities	\$473,026,029	
Capital and Surplus	<u>38,345,150</u>	
Liabilities, Surplus, and Other Funds		<u>\$511,371,179</u>

No change was made in the balance sheet amounts reported by the Company in its 2014 Annual Statement.

Since the last examination conducted as of December 31, 2009, the Company's admitted assets have increased \$35,061,145, total liabilities have increased \$28,222,467, and surplus increased \$6,838,678.

The courteous cooperation extended by the officers of the Company and management during the course of the examination is gratefully acknowledged.

In addition to the undersigned, as part of the coordinated examination, Noble representing the INDOI (lead state), participated in this examination.

Respectfully submitted,



Brad Neff, CFE
Examiner-In-Charge
Noble Consulting Services, Inc.

COMMENTS AND RECOMMENDATIONS

It is again recommended that the Company comply with Article V, Section V, of the Bylaws and ensure elected directors sign Oaths of Office.

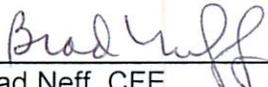
AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the North Dakota Insurance Department and that he, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Jeffrey A. Beckley, F.C.A.S., M.A.A.A., of Actuarial Options, LLC, hereinafter collectively referred to as the "Examiners," performed an examination of Pioneer Mutual Life Insurance Company as of December 31, 2014.

The North Dakota Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of condition of Pioneer Mutual Life Insurance Company as of December 31, 2014, as determined by the undersigned.



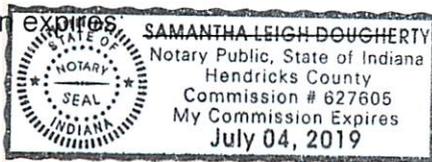
Brad Neff, CFE
Noble Consulting Services, Inc.

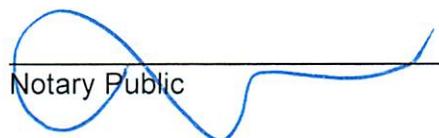
State of Indiana
County of Marion

On this 17th day of December, 2015, before me personally appeared, Brad Neff, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires





Notary Public