

ANNUAL STATEMENT

OF THE

Cape Verity III, Inc.

TO THE

Insurance Department

OF THE

STATE OF

**FOR THE YEAR ENDED
DECEMBER 31, 2016**

LIFE AND ACCIDENT AND HEALTH

2016



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE

Cape Verity III, Inc.

NAIC Group Code 3891 4734 NAIC Company Code 15473 Employer's ID Number 46-3485456
(Current) (Prior)

Organized under the Laws of Iowa, State of Domicile or Port of Entry IA

Country of Domicile United States of America

Incorporated/Organized 08/23/2013 Commenced Business 08/23/2013

Statutory Home Office 215 10th Street Suite 1100 Des Moines, IA, US 50309
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 215 10th Street Suite 1100
(Street and Number)
Des Moines, IA, US 50309 855-887-4487
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mall Address 215 10th Street Suite 1100 Des Moines, IA, US 50309
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 215 10th Street Suite 1100
(Street and Number)
Des Moines, IA, US 50309 855-887-4487
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Tonya Rachelle Maxwell 515-393-3725
(Name) (Area Code) (Telephone Number)
tonya.maxwell@gafg.com (FAX Number)
(E-mail Address)

OFFICERS

Chief Executive Officer Nicholas Helmuth von Moltke Vice President, Chief Actuary, Appointed Actuary, and Valuation Actuary David Eberhart Neve
President David Paul Wilken # Chief Financial Officer and Treasurer John Joseph Fowler

OTHER

Philip William Sherrill, Senior Vice President Gary Phillip Silber, Vice President and Secretary Scott Douglas Silverman, Assistant Secretary
Maureen Helen Henderson, Assistant Secretary Deva Rishi Mishra, Senior Vice President

DIRECTORS OR TRUSTEES

Nicholas Helmuth von Moltke Harben Kim Lee Gilles Maurice Dellaert
David Paul Wilken #

State of Iowa SS:
County of Polk

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.

David Paul Wilken Gary Phillip Silber John Joseph Fowler
President Vice President and Secretary Chief Financial Officer and Treasurer

Subscribed and sworn to before me this 21st day of February, 2017
Heidi L. Palmer

- a. Is this an original filing? Yes [] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	17,264,385		17,264,385	20,613,090
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
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 (\$, Schedule E - Part 1), cash equivalents				
(\$, Schedule E - Part 2) and short-term				
investments (\$, 4,517,256, Schedule DA)	4,517,256		4,517,256	505,927
6. Contract loans (including \$, premium notes)	3,613,667		3,613,667	3,157,089
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	25,395,308		25,395,308	24,276,106
13. Title plants less \$, charged off (for Title insurers				
only)				
14. Investment income due and accrued	153,319		153,319	182,212
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums and agents' balances and installments booked but				
deferred and not yet due (including \$				
earned but unbilled premiums)	5,069,683		5,069,683	4,701,519
15.3 Accrued retrospective premiums (\$) and				
contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies	505,813,059		505,813,059	464,919,190
16.3 Other amounts receivable under reinsurance contracts	15,486,802		15,486,802	14,193,388
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	55,982,997	55,982,997		
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				
25. Aggregate write-ins for other than invested assets	264,479,623		264,479,623	239,016,347
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25)	872,380,791	55,982,997	816,397,794	747,288,762
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts				
28. Total (Lines 26 and 27)	872,380,791	55,982,997	816,397,794	747,288,762
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Contingent Note	264,479,623		264,479,623	239,016,347
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	264,479,623		264,479,623	239,016,347

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 728,918,163 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	728,918,163	664,218,692
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)		
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)		
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)		
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)		
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 (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14)		
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 \$ 13,524,989 assumed and \$ ceded	13,524,989	7,398,868
9.4 Interest maintenance reserve (IMR, Line 6)	12,886,208	13,759,358
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	915,873	990,759
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)		
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 (Exhibit 3, Line 9, Col. 5)		
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income		
17. Amounts withheld or retained by company as agent or trustee		
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated	968,730	
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 (AVR, Line 16, Col. 7)	84,891	81,535
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		
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		
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	757,298,854	686,449,212
27. From Separate Accounts Statement		
28. Total liabilities (Lines 26 and 27)	757,298,854	686,449,212
29. Common capital stock	2,500,000	2,500,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	264,479,623	239,016,348
32. Surplus notes		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	25,500,000	21,500,000
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	(233,380,683)	(202,176,798)
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)	56,598,940	58,339,550
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	59,098,940	60,839,550
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	816,397,794	747,288,762
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)		
3101. Cont ingent Note	264,479,623	239,016,348
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	264,479,623	239,016,348
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)		

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	36,291,966	37,917,949
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	684,502	749,721
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	990,822	1,072,265
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)		
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	22,347,588	25,599,028
9. Total (Lines 1 to 8.3)	60,314,878	65,338,963
10. Death benefits	18,630,348	13,170,269
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)		
13. Disability benefits and benefits under accident and health contracts		
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	4,668,934	3,878,898
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds		
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	64,699,472	53,832,596
20. Totals (Lines 10 to 19)	87,998,754	70,881,763
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)		
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	3,589,236	4,332,741
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4)	7,931	8,220
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)		625
25. Increase in loading on deferred and uncollected premiums		
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions		
28. Totals (Lines 20 to 27)	91,595,921	75,223,349
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(31,281,043)	(9,884,386)
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(31,281,043)	(9,884,386)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(9,971,503)	(4,197,905)
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)	(21,309,540)	(5,686,481)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (15,756) (excluding taxes of \$ 63,362 transferred to the IMR)	15,755	259,769
35. Net income (Line 33 plus Line 34)	(21,293,785)	(5,426,712)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	60,839,550	53,791,392
37. Net income (Line 35)	(21,293,785)	(5,426,712)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$		
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	1,301,892	(616,844)
41. Change in nonadmitted assets	(1,284,739)	599,691
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	(3,357)	(22,200)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)		
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	4,000,000	
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		
53. Aggregate write-ins for gains and losses in surplus	15,539,379	12,514,223
54. Net change in capital and surplus for the year (Lines 37 through 53)	(1,740,610)	7,048,158
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	59,098,940	60,839,550
DETAILS OF WRITE-INS		
08.301. Funds Withheld Miscellaneous Income	22,347,588	25,599,028
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above)	22,347,588	25,599,028
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)		
5301. Contingent Note Surplus	25,463,275	16,510,885
5302. Tax Sharing Agreement	(9,923,896)	(3,996,662)
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)	15,539,379	12,514,223

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance		18,267,169
2. Net investment income	2,511,795	983,474
3. Miscellaneous income		(4,668,523)
4. Total (Lines 1 through 3)	2,511,795	14,582,120
5. Benefit and loss related payments		26,913,605
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions		2,936,266
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Lines 5 through 9)		29,849,871
11. Net cash from operations (Line 4 minus Line 10)	2,511,795	(15,267,751)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	12,351,208	41,084,980
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 .....	.50	
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	12,351,258	41,084,980
13. Cost of investments acquired (long-term only):		
13.1 Bonds	15,363,876	26,318,874
13.2 Stocks		
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)	15,363,876	26,318,874
14. Net increase (decrease) in contract loans and premium notes	456,579	437,640
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(3,469,197)	14,328,466
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	4,000,000	
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	968,731	(772,813)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	4,968,731	(772,813)
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)	4,011,329	(1,712,098)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	505,927	2,218,025
19.2 End of year (Line 18 plus Line 19.1)	4,517,256	505,927
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001. Remitted bonds to settle assumed reinsurance obligations	4,013,248	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	36,291,966		36,291,966									
2. Considerations for supplementary contracts with life contingencies												
3. Net investment income	684,502		684,502									
4. Amortization of Interest Maintenance Reserve (IMR)	990,822		990,822									
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded												
7. Reserve adjustments on reinsurance ceded												
8. Miscellaneous Income:												
8.1 Fees associated with income from 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	22,347,588		22,347,588									
9. Totals (Lines 1 to 8.3)	60,314,878		60,314,878									
10. Death benefits	18,630,348		18,630,348									
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits												
13. Disability benefits and benefits under accident and health contracts												
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	4,668,934		4,668,934									
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds												
18. Payments on supplementary contracts with life contingencies												
19. Increase in aggregate reserves for life and accident and health contracts	64,699,472		64,699,472									
20. Totals (Lines 10 to 19)	87,998,754		87,998,754									
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)												
22. Commissions and expense allowances on reinsurance assumed	3,589,236		3,589,236									
23. General insurance expenses	7,931		7,931									
24. Insurance taxes, licenses and fees, excluding federal income taxes												
25. Increase in loading on deferred and uncollected premiums												
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions												
28. Totals (Lines 20 to 27)	91,595,921		91,595,921									
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(31,281,043)		(31,281,043)									
30. Dividends to policyholders												
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(31,281,043)		(31,281,043)									
32. Federal income taxes incurred (excluding tax on capital gains)	(9,971,503)		(9,971,503)									
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)	(21,309,540)		(21,309,540)									
DETAILS OF WRITE-INS												
08.301. Funds Withheld Miscellaneous Income	22,347,588		22,347,588									
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	22,347,588		22,347,588									
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)												

(a) Includes the following amounts for FEGLI/SGLI: Line 1 _____, Line 10 _____, Line 16 _____, Line 23 _____, Line 24 _____

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	664,218,692		664,218,692					
2. Tabular net premiums or considerations	36,291,966		36,291,966					
3. Present value of disability claims incurred					XXX			
4. Tabular interest	27,323,155		27,323,155					
5. Tabular less actual reserve released								
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)	32,463,751		32,463,751					
8. Totals (Lines 1 to 7)	760,297,564		760,297,564					
9. Tabular cost	8,080,119		8,080,119		XXX			
10. Reserves released by death	18,630,348		18,630,348	XXX	XXX			XXX
11. Reserves released by other terminations (net)	4,668,934		4,668,934					
12. Annuity, supplementary contract and disability payments involving life contingencies								
13. Net transfers to or (from) Separate Accounts								
14. Total Deductions (Lines 9 to 13)	31,379,401		31,379,401					
15. Reserve December 31, current year	728,918,163		728,918,163					

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) .....	.....
1.1 Bonds exempt from U.S. tax	(a) .....	.....
1.2 Other bonds (unaffiliated)	(a) 684,003	655,112
1.3 Bonds of affiliates	(a) .....	.....
2.1 Preferred stocks (unaffiliated)	(b) .....	.....
2.11 Preferred stocks of affiliates	(b) .....	.....
2.2 Common stocks (unaffiliated) .....	.....	.....
2.21 Common stocks of affiliates .....	.....	.....
3. Mortgage loans	(c) .....	.....
4. Real estate	(d) .....	.....
5. Contract loans .....	.....	.....
6. Cash, cash equivalents and short-term investments	(e) 29,390	29,390
7. Derivative instruments	(f) .....	.....
8. Other invested assets .....	.....	.....
9. Aggregate write-ins for investment income .....	.....	.....
10. Total gross investment income	713,393	684,502
11. Investment expenses .....	.....	(g)
12. Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g)
13. Interest expense .....	.....	(h)
14. Depreciation on real estate and other invested assets .....	.....	(i)
15. Aggregate write-ins for deductions from investment income .....	.....	.....
16. Total deductions (Lines 11 through 15) .....	.....	.....
17. Net investment income (Line 10 minus Line 16) .....	.....	684,502
DETAILS OF WRITE-INS		
0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	.....	.....
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	.....	.....

- (a) Includes \$ 3,476 accrual of discount less \$ 131,089 amortization of premium and less \$ 177,519 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 25,065 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds
1.1 Bonds exempt from U.S. tax
1.2 Other bonds (unaffiliated)	180,984	.....	180,984	.....	.....
1.3 Bonds of affiliates
2.1 Preferred stocks (unaffiliated)
2.11 Preferred stocks of affiliates
2.2 Common stocks (unaffiliated)
2.21 Common stocks of affiliates
3. Mortgage loans
4. Real estate
5. Contract loans
6. Cash, cash equivalents and short-term investments	49	.....	49	.....	.....
7. Derivative instruments
8. Other invested assets
9. Aggregate write-ins for capital gains (losses)
10. Total capital gains (losses)	181,033	.....	181,033	.....	.....
DETAILS OF WRITE-INS					
0901.
0902.
0903.
0998. Summary of remaining write-ins for Line 9 from overflow page
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

EXHIBIT - 1 PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
FIRST YEAR (other than single)											
1. Uncollected											
2. Deferred and accrued											
3. Deferred, accrued and uncollected:											
3.1 Direct											
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net (Line 1 + Line 2)											
4. Advance											
5. Line 3.4 - Line 4											
6. Collected during year:											
6.1 Direct											
6.2 Reinsurance assumed											
6.3 Reinsurance ceded											
6.4 Net											
7. Line 5 + Line 6.4											
8. Prior year (uncollected + deferred and accrued - advance)											
9. First year premiums and considerations:											
9.1 Direct											
9.2 Reinsurance assumed											
9.3 Reinsurance ceded											
9.4 Net (Line 7 - Line 8)											
SINGLE											
10. Single premiums and considerations:											
10.1 Direct											
10.2 Reinsurance assumed											
10.3 Reinsurance ceded											
10.4 Net											
RENEWAL											
11. Uncollected	5,069,683		5,069,683								
12. Deferred and accrued											
13. Deferred, accrued and uncollected:											
13.1 Direct											
13.2 Reinsurance assumed	5,069,683		5,069,683								
13.3 Reinsurance ceded											
13.4 Net (Line 11 + Line 12)	5,069,683		5,069,683								
14. Advance											
15. Line 13.4 - Line 14	5,069,683		5,069,683								
16. Collected during year:											
16.1 Direct											
16.2 Reinsurance assumed	35,923,802		35,923,802								
16.3 Reinsurance ceded											
16.4 Net	35,923,802		35,923,802								
17. Line 15 + Line 16.4	40,993,485		40,993,485								
18. Prior year (uncollected + deferred and accrued - advance)	4,701,519		4,701,519								
19. Renewal premiums and considerations:											
19.1 Direct											
19.2 Reinsurance assumed	36,291,966		36,291,966								
19.3 Reinsurance ceded											
19.4 Net (Line 17 - Line 18)	36,291,966		36,291,966								
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct											
20.2 Reinsurance assumed	36,291,966		36,291,966								
20.3 Reinsurance ceded											
20.4 Net (Lines 9.4 + 10.4 + 19.4)	36,291,966		36,291,966								

EXHIBIT - 1 PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums											
22. All other											
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded											
23.2 Reinsurance assumed											
23.3 Net ceded less assumed											
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed											
24.3 Net ceded less assumed											
25. Renewal:											
25.1 Reinsurance ceded											
25.2 Reinsurance assumed	3,589,236		3,589,236								
25.3 Net ceded less assumed	(3,589,236)		(3,589,236)								
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)											
26.2 Reinsurance assumed (Page 6, Line 22)	3,589,236		3,589,236								
26.3 Net ceded less assumed	(3,589,236)		(3,589,236)								
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)											
28. Single											
29. Renewal											
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)											

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			
1. Rent						
2. Salaries and wages						
3.11 Contributions for benefit plans for employees						
3.12 Contributions for benefit plans for agents						
3.21 Payments to employees under non-funded benefit plans						
3.22 Payments to agents under non-funded benefit plans						
3.31 Other employee welfare						
3.32 Other agent welfare						
4.1 Legal fees and expenses						
4.2 Medical examination fees						
4.3 Inspection report fees						
4.4 Fees of public accountants and consulting actuaries						
4.5 Expense of investigation and settlement of policy claims						
5.1 Traveling expenses						
5.2 Advertising						
5.3 Postage, express, telegraph and telephone						
5.4 Printing and stationery						
5.5 Cost or depreciation of furniture and equipment						
5.6 Rental of equipment						
5.7 Cost or depreciation of EDP equipment and software						
6.1 Books and periodicals						
6.2 Bureau and association fees						
6.3 Insurance, except on real estate						
6.4 Miscellaneous losses						
6.5 Collection and bank service charges	7,931					7,931
6.6 Sundry general expenses						
6.7 Group service and administration fees						
6.8 Reimbursements by uninsured plans						
7.1 Agency expense allowance						
7.2 Agents' balances charged off (less \$ recovered)						
7.3 Agency conferences other than local meetings						
9.1 Real estate expenses						
9.2 Investment expenses not included elsewhere						
9.3 Aggregate write-ins for expenses						
10. General expenses incurred	7,931					(a) 7,931
11. General expenses unpaid December 31, prior year						
12. General expenses unpaid December 31, current year						
13. Amounts receivable relating to uninsured plans, prior year						
14. Amounts receivable relating to uninsured plans, current year						
15. General expenses paid during year (Lines 10+11-12-13+14)	7,931					7,931
DETAILS OF WRITE-INS						
09.301.						
09.302.						
09.303.						
09.398. Summary of remaining write-ins for Line 9.3 from overflow page						
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)						

(a) Includes management fees of \$ _____ to affiliates and \$ _____ to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes					
2. State insurance department licenses and fees					
3. State taxes on premiums					
4. Other state taxes, including \$ for employee benefits					
5. U.S. Social Security taxes					
6. All other taxes					
7. Taxes, licenses and fees incurred					
8. Taxes, licenses and fees unpaid December 31, prior year					
9. Taxes, licenses and fees unpaid December 31, current year					
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)					

NONE

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4		
6. Paid in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. Total Lines 5 through 8		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts included on Line 13		
15. Total Lines 10 through 14		
16. Total from prior year		
17. Total dividends or refunds (Lines 9 + 15 - 16)		
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)		

NONE

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [] No [X]
- 1.2 If not, state which kind is issued.
Assumed Business Only
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts?..... Yes [] No [X]
- 2.2 If not, state which kind is issued.
Assumed Business Only
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?..... Yes [X] No []
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes [] No [X]
If so, state:
4.1 Amount of insurance? \$
4.2 Amount of reserve? \$
4.3 Basis of reserve:
- 4.4 Basis of regular assessments:
- 4.5 Basis of special assessments:
- 4.6 Assessments collected during the year \$
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.
- 6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [] No [X]
6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$
6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$
Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes [] No [X]
7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements \$
7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:
- 7.3 State the amount of reserves established for this business: \$
7.4 Identify where the reserves are reported in the blank:
- 8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year? Yes [] No [X]
8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements: \$
8.2 State the amount of reserves established for this business: \$
8.3 Identify where the reserves are reported in the blank:
- 9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? Yes [] No [X]
9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders: \$
9.2 State the amount of reserves established for this business: \$
9.3 Identify where the reserves are reported in the blank:

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
NONE			
9999999 - Total (Column 4, only)			

Exhibit 6 - Aggregate Reserves for Accident and Health Contracts

N O N E

Exhibit 7 - Deposit-Type Contracts

N O N E

Exhibit 8 - Contract Claims - Part 1 - Liability End of Current Year

N O N E

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements During the Year:											
1.1 Direct											
1.2 Reinsurance assumed	18,630,348		18,630,348								
1.3 Reinsurance ceded											
1.4 Net	(d) 18,630,348		18,630,348								
2. Liability December 31, current year from Part 1:											
2.1 Direct											
2.2 Reinsurance assumed											
2.3 Reinsurance ceded											
2.4 Net											
3. Amounts recoverable from reinsurers December 31, current year											
4. Liability December 31, prior year:											
4.1 Direct											
4.2 Reinsurance assumed											
4.3 Reinsurance ceded											
4.4 Net											
5. Amounts recoverable from reinsurers December 31, prior year											
6. Incurred Benefits											
6.1 Direct											
6.2 Reinsurance assumed	18,630,348		18,630,348								
6.3 Reinsurance ceded											
6.4 Net	18,630,348		18,630,348								

- (a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
\$ in Line 6.1, and \$ in Line 6.4.
- (b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
\$ in Line 6.1, and \$ in Line 6.4.
- (c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
\$ in Line 6.1, and \$ in Line 6.4.
- (d) Includes \$ premiums waived under total and permanent disability benefits.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	55,982,997	54,681,105	(1,301,892)
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			
25. Aggregate write-ins for other than invested assets		17,153	17,153
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	55,982,997	54,698,258	(1,284,739)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	55,982,997	54,698,258	(1,284,739)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Accounts Receivable Miscellaneous		17,153	17,153
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)		17,153	17,153

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

Cape Verity III, Inc. ("Cape Verity III" or "the Company") is a special purpose captive under the laws of the State of Iowa, and is a wholly-owned subsidiary of the Accordia Life and Annuity Company ("Accordia"). The accompanying financial statements of Cape Verity III, Inc are presented on the basis of accounting practices prescribed or permitted by the Insurance Division, Department of Commerce, of the State of Iowa (Iowa Department). The National Association of Insurance Commissioners ("NAIC") Accounting Practices & Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the Iowa Department.

Pursuant to Iowa Administrative Code ("IAC") Section 191-99.11(3), *Limited Purpose Subsidiary Life Insurance Company*, the Company has included as an admitted asset the outstanding principal amount of a Variable Funding Puttable Note (contingent note) serving as collateral for reinsurance credit taken by an affiliated cedant in connection with a reinsurance agreement entered into between the Company and the affiliated cedant. The contingent note was issued by RGA Worldwide Reinsurance Company, Ltd, and is held for the benefit of the affiliated cedant. The contingent note is not included as a risk-based asset in the Company's risk-based capital calculation.

A reconciliation of the Company's net income (loss) and statutory surplus between practices prescribed and permitted by the State of Iowa and NAIC SAP is shown below:

<u>NET INCOME</u>	<u>SSAP#</u>	<u>F/S Page</u>	<u>F/S Line</u>	<u>State of Domicile</u>	2016	2015
(1) The Company state basis (Page 4, Line 35, Columns 1 & 3)	XXX	XXX	XXX	Iowa	\$ (21,293,785)	\$ (5,426,712)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP				Iowa	-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP				Iowa	-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	Iowa	\$ (21,293,785)	\$ (5,426,712)
<u>SURPLUS</u>						
(5) The Company state basis (Page 3, Line 38, Columns 1&2)	XXX	XXX	XXX	Iowa	\$ 59,098,940	\$ 60,839,550
(6) State Prescribed Practices that increase/(decrease) NAIC SAP Letter of Credit	SSAP 4	2, 3, and 4	25, 31, and 5301, respectively	Iowa	264,479,623	239,016,348
(7) State Permitted Practices that increase/(decrease) NAIC SAP				Iowa	-	-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	Iowa	\$ (205,380,683)	\$ (178,176,798)

If the Company had not been permitted to include the contingent note in surplus, the Company's risk-based capital would have been below Mandatory Control Level.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Reinsurance treaties that do not meet the definition of risk transfer are recorded under the rules of deposit accounting as prescribed in Statement of Statutory Accounting Principles ("SSAP") No. 61R. – *Life, Deposit-Type and Accident and Health Reinsurance* and are carried as a deposit liability, net income and expenses are shown in the aggregate write in line on the summary of operations. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies, as applicable:

- (1) Short-term investments that have original maturities of greater than three months and less than twelve months at date of purchase are carried at amortized cost, which approximates fair value.
- (2) Bonds not backed by other loans are stated at amortized cost or fair value, using the modified scientific method, in accordance with the NAIC *Purposes and Procedures* Manual of the Capital Markets and Investment Analysis Office.
- (3) The Company does not have any common stock.
- (4) The Company does not have any preferred stock.
- (5) The Company does not have any mortgage loans.
- (6) Loan-backed bonds and structured securities are stated at amortized cost using the interest method including anticipated prepayments at the date of purchase in accordance with SSAP 43-R "Loan-Backed and Structured Securities". Changes in prepayment speeds and estimated cash flows from the original purchase assumptions are evaluated quarterly and are accounted for on the prospective basis.
- (7) The Company does not have any investments in affiliates.
- (8) The Company does not have any investments in joint ventures.
- (9) The Company does not have any derivative instruments.
- (10) The Company has no accident and health business and therefore no premium deficiency calculation.
- (11) The Company has no accident and health business and therefore no unpaid losses or loss adjustment expenses.
- (12) The Company does not carry any fixed assets.
- (13) The Company does not have any pharmaceutical rebate receivables.

NOTES TO FINANCIAL STATEMENTS

D. Going Concern

(1) There is no substantial doubt about the Company's ability to continue as a going concern

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS – Not applicable

3. BUSINESS COMBINATIONS AND GOODWILL

A. Statutory Purchase Method – Not applicable

B. Statutory Merger – Not applicable

C. Assumption Reinsurance – Not applicable

D. Impairment Loss – Not applicable

4. DISCONTINUED OPERATIONS

The Company does not have any discontinued operations.

5. INVESTMENTS

A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable

B. Debt Restructuring – There were no debt restructures as of December 31, 2016 and December 31, 2015

C. Reverse Mortgages – Not applicable

D. Loan Backed Securities

(1) Loan-backed and structured securities ("LBASS") are valued and reported in accordance with SSAP 43R – *Loan-Backed and Structured Securities*. Prepayment assumptions are primarily obtained from external sources or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The prospective adjustment method is used on most non-agency LBASS. Fair values are based on independent pricing sources. The Company reviews securities at least quarterly for other-than-temporary impairments ("OTTI") using current cash flow assumptions. The Company did not recognize any OTTI charges on loan-backed securities as of December 31, 2016.

(2) All loan-backed securities with a recognized OTTI disclosed in the aggregate, classified on the basis for the OTTI: None

(3) All loan-backed securities with a recognized OTTI, currently held by the Company with the present value of cash flows expected to be less than or equal to amortized cost: None

(4) All loan-backed securities whereby the fair value is less than cost or amortized cost for which an OTTI has not been recognized in earnings as a realized loss: None

(5) The Company evaluates whether credit impairment exists by considering primarily the following factors: a) changes in the financial condition, credit rating and near term prospects of the issuer, b) whether the issuer is current on contractually obligated interest and principal payments, c) changes in the financial condition of the security's underlying collateral, d) the payment structure of the security and 3) the length of time and extent to which the fair value has been less than amortized cost of the security.

E. Repurchase Agreements and/or Securities Lending Transactions – There were no repurchase agreement and/or Securities Lending Transactions for the Company as of December 31, 2016 and December 31, 2015

F. Real Estate – Not applicable

G. Investments in Low Income Housing Tax Credits – Not applicable

H. Restricted Assets – Not applicable

I. Working Capital Finance Investments – Not applicable

J. Offsetting and Netting of Assets and Liabilities – Not applicable

K. Structured Notes – Not applicable

L. 5* Securities – Not applicable

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. The Company has no investments in joint venture, partnerships or limited liability companies that exceed 10% of its admitted assets as of December 31, 2016 and December 31, 2015

B. The Company recognizes impairments when it is probable that it will be unable to recover the carrying amount of the investment or there is evidence indicating inability of the investee to sustain earnings that would justify the carrying value of the investment. The Company did not have any impairment in joint ventures, partnerships, or limited liability companies as of December 31, 2016 and December 31, 2015

7. INVESTMENT INCOME

The Company did not have any due and accrued income over 90 days past due that was excluded from surplus as of December 31, 2016 and December 31, 2015

8. DERIVATIVE INSTRUMENTS – Not applicable

NOTES TO FINANCIAL STATEMENTS

9. INCOME TAXES

- A. The net deferred tax asset/(liability) at December 31, 2016 and the change from the prior year-end are comprised of the following components:

1.

		12/31/2016		
		(1)	(2)	(3)
		Ordinary	Capital	(Col 1+2) Total
(a)	Gross deferred tax assets	58,054,374	-	58,054,374
(b)	Statutory valuation allowance adjustments	-	-	-
(c)	Adjusted gross deferred tax assets	58,054,374	-	58,054,374
(d)	Deferred tax assets non-admitted	55,982,997	-	55,982,997
(e)	Subtotal net admitted deferred tax assets	2,071,377	-	2,071,377
(f)	Gross deferred tax liabilities	1,777,140	294,237	2,071,377
(g)	Net admitted deferred tax assets / (liabilities)	294,237	(294,237)	-
		12/31/2015		
		(4)	(5)	(6)
		Ordinary	Capital	(Col 4+5) Total
(a)	Gross deferred tax assets	56,606,926	-	56,606,926
(b)	Statutory valuation allowance adjustments	-	-	-
(c)	Adjusted gross deferred tax assets	56,606,926	-	56,606,926
(d)	Deferred tax assets non-admitted	54,681,106	-	54,681,106
(e)	Subtotal net admitted deferred tax assets	1,925,820	-	1,925,820
(f)	Gross deferred tax liabilities	1,647,441	278,379	1,925,820
(g)	Net admitted deferred tax assets / (liabilities)	278,379	(278,379)	-
		Change		
		(7)	(8)	(9)
		Ordinary	Capital	(Col 7+8) Total
(a)	Gross deferred tax assets	1,447,448	-	1,447,448
(b)	Statutory valuation allowance adjustments	-	-	-
(c)	Adjusted gross deferred tax assets	1,447,448	-	1,447,448
(d)	Deferred tax assets non-admitted	1,301,891	-	1,301,891
(e)	Subtotal net admitted deferred tax assets	145,557	-	145,557
(f)	Gross deferred tax liabilities	129,699	15,858	145,557
(g)	Net admitted deferred tax assets / (liabilities)	15,858	(15,858)	-

The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which the temporary differences are deductible and prior to the expiration of capital loss, net operating loss and tax credit carry-forwards. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carry-back and carry-forward periods), projected taxable income, and tax planning strategies in making this assessment. Management believes it is more likely than not that all deferred tax assets will be realized based on projected taxable income and available tax planning strategies. There were no tax planning strategies used related to reinsurance.

The amount of admitted adjusted gross deferred tax assets admitted under each component of SSAP 101:

2. Admission Calculation Components SSAP No. 101

		12/31/2016		
		(1)	(2)	(3)
		Ordinary	Capital	(Col 1+2) Total
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carry-backs.	-	-	-
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	-	-	-
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	-	-	-
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	8,864,841
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	1,777,140	294,237	2,071,377
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101	1,777,140	294,237	2,071,377
		12/31/2015		
		(4)	(5)	(6)
		Ordinary	Capital	(Col 4+5) Total
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carry-backs.	-	-	-
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	-	-	-
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	-	-	-
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	9,125,932
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	1,647,441	278,379	1,925,820
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101	1,647,441	278,379	1,925,820
		Change		
		(7)	(8)	(9)
		Ordinary	Capital	(Col 7+8) Total
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carry-backs.	-	-	-
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	-	-	-
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	-	-	-
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	(261,091)
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	129,699	15,858	145,557
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101	129,699	15,858	145,557

3.

	12/31/2016	12/31/2015
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	1252%	1462%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	59,098,940	60,839,550

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

- 1 Adjusted Gross DTAs amount from Note 9A1(c)
- 2 Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.
- 3 Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)
- 4 Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.

12/31/2016		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2)
58,054,374	-	58,054,374
0%	0%	0%
2,071,377	-	2,071,377
0%	0%	0%

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

- 1 Adjusted Gross DTAs amount from Note 9A1(c)
- 2 Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.
- 3 Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)
- 4 Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.

12/31/2015		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5)
56,606,926	-	56,606,926
0%	0%	0%
1,925,820	-	1,925,820
0%	0%	0%

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

- 1 Adjusted Gross DTAs amount from Note 9A1(c)
- 2 Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.
- 3 Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)
- 4 Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.

Change		
(7)	(8)	(9)
Ordinary	Capital	(Col 7+8)
1,447,448	-	1,447,448
0%	0%	0%
145,557	-	145,557
0%	0%	0%

(c) Does the Company's tax-planning strategies include the use of reinsurance?

Yes No

B. Unrecognized deferred tax liabilities

There are no temporary differences for which deferred tax liabilities are not recognized.

NOTES TO FINANCIAL STATEMENTS

C. Current income taxes incurred consist of the following major components:

	(1)	(2)	(3)
	12/31/2016	12/31/2015	(Col 1-2) Change
Current Income Tax			
(a) Federal	(9,971,503)	(3,545,877)	(6,425,626)
(b) Foreign	-	-	-
(c) Subtotal	(9,971,503)	(3,545,877)	(6,425,626)
(d) Federal Income Tax on Net Capital Gains	47,607	185,475	(137,868)
(e) Utilization of Capital Loss Carry-Forwards	-	-	-
(f) Other	-	-	-
(g) Federal and Foreign Income Taxes Incurred	(9,923,896)	(3,360,402)	(6,563,494)
Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	-	-	-
(2) Unearned premium reserve	-	-	-
(3) Policyholder reserves	18,445,174	16,936,794	1,508,380
(4) Investments	-	-	-
(5) Deferred acquisition costs	0	54,928	(54,928)
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	-	6,003	(6,003)
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
Acquired Reserve Basis	39,609,200	39,609,200	-
Other	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	39,609,200	39,609,200	-
(99) Subtotal	58,054,374	56,606,925	1,447,449
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	55,982,997	54,681,106	1,301,891
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	2,071,377	1,925,819	145,558
(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	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ -	\$ -	\$ -
(i) Admitted deferred tax assets (2d + 2h)	2,071,377	1,925,819	145,558
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	(2,751)	(1,909)	(842)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	(1,774,389)	(1,645,532)	(128,857)
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	(1,777,140)	(1,647,441)	(129,699)
(b) Capital			
(1) Investments	(294,237)	(278,379)	(15,858)
(2) Real Estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	(294,237)	(278,379)	(15,858)
(c) Deferred tax liabilities (3a99 + 3b99)	(2,071,377)	(1,925,820)	(145,557)
4. Net deferred tax assets / liabilities (2i - 3c)	-	-	-

The change in deferred income taxes reported in surplus before consideration of nonadmitted assets is comprised of the following components:

	12/31/2016			12/31/2015			Change
	Ordinary	Capital	Total	Ordinary	Capital	Total	
Total deferred tax assets (admitted and nonadmitted)	58,054,374	-	58,054,374	56,606,925	-	56,606,925	1,447,449
Total deferred tax liabilities	1,777,140	294,237	2,071,377	1,647,441	278,379	1,925,820	145,557
Net deferred tax asset/(liabilities)	56,277,234	(294,237)	55,982,997	54,959,484	(278,379)	54,681,105	1,301,892
Tax effect of unrealized (gains) / losses							-
Change in net deferred income tax							1,301,892

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate:

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	Amount	Tax Effect	Effective Rate
Provision computed at statutory rate	(31,217,681)	(10,926,188)	35.00%
IMR	(873,150)	(305,603)	0.98%
Return to Provision True Up	0	0	0.00%
Tax on non-admitted assets	17,151	6,003	-0.02%
Total	(32,073,680)	(11,225,788)	35.96%
Federal income taxes incurred		(9,923,896)	31.79%
Change in net deferred income taxes		(1,301,892)	4.17%
Total statutory income tax expense/(benefit)		(11,225,788)	35.96%

E. Operating loss carry-forward

- (1) At December 31, 2016, the Company does not have any net operating loss carry-forwards, capital loss carry-forwards or foreign tax credits.
- (2) The Company does not have any federal income taxes available for recoupment in the event of future losses.

NOTES TO FINANCIAL STATEMENTS

F. Consolidated federal income tax return

- (1) The Company will file a consolidated Federal income tax return with Commonwealth Annuity and Life Insurance Company ("CwA"), Accordia Life and Annuity Company ("Accordia"), Cape Verity II, Inc., Cape Verity III, Inc., Gotham Re, Inc., Forethought National Life Insurance Company, Forethought Life Insurance Company and First Allmerica Financial Life Insurance Company ("FAFLIC") for the period ending December 31, 2016. The FAFLIC entity joined the consolidated group as of January 1, 2016. The Company is a party to a written agreement, which sets forth the manner in which the total combined Federal income tax is allocated to each entity within the consolidated group. Pursuant to this agreement, Accordia is obligated to perform all of the Company's tax sharing obligations and is entitled to accept all of the Company's tax sharing benefits. Accordingly, any current taxes payable or receivable of the Company are reflected by Accordia.
- (2) The IRS routinely audits the Company's federal income tax returns, and when appropriate, provisions are made in the financial statements in anticipation of the results of these audits. The Company believes that its income tax filing positions and deductions will be sustained on audit, and does not anticipate any adjustments that will result in a material, adverse effect on the Company's financial condition, results of operations, or cash flow. Therefore, no reasonable estimate can be made for tax loss contingencies and none has been recorded.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

A. Nature of Relationships:

Cape Verity III, Inc. was formed on August 23, 2013 and commenced business as limited purpose subsidiary life insurance company domiciled and licensed in the state of Iowa. All outstanding shares of the Company's common stock are directly owned by Accordia, a stock life insurance company domiciled in the state of Iowa. All outstanding shares of Accordia are owned by Commonwealth, an insurance company incorporated in the state of Massachusetts. Accordia carries the Company at its statutory net worth, as prescribed in the Securities Valuations Office Purposes and Procedures manual. Accordia is an indirect wholly owned subsidiary of Global Atlantic Financial Group ("GAFG").

B. Detail of Transactions Greater than ½ of 1% of total admitted assets

The Company remitted \$9,923,896 and \$3,996,662 during 2016 and 2015, respectively, under the provisions of the supplemental tax sharing agreement described in Note 9. This amount was recorded as a surplus adjustment in the Summary of Operations.

C. Amounts of transactions and effects of any change in terms of intercompany arrangements – Not applicable

D. Amounts Due to or From Related Parties

As of December 31, 2016, the Company had no receivables or payables due to or from affiliates.

E. Guarantees or undertakings for the benefit of an affiliate or related party: Not applicable

F. Management, Service Contracts, Cost Sharing Arrangement

The Company has entered into administration, shared services, management services and investment management services agreements with related parties. These affiliates provide legal, compliance, technology, operations, financial reporting, human resources and risk management services. The Company did not record expenses for these agreements for the twelve months ended December 31, 2016 and December 31, 2015.

The Company has entered into administration service agreements with Accordia and Goldman Sachs Asset Management ("GSAM") to receive management services and investment advisory services, respectively. These administrative service agreements with affiliates are to receive services which are routine in nature. Fees are determined using customary insurance accounting practices consistently applied.

G. Nature of Relationships that Could Affect Operations

The Company's various affiliated relationships and agreement/transactions are discussed above in Note 10. The operating results and financial position of the Company as reported in these financial statements would not be significantly different from those that would have been obtained if the Company were autonomous.

H. Amount Deducted for Investment in Upstream Company – Not applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets – Not applicable

J. Write Down for Impairment of Investments in Subsidiary, Controlled or Affiliated Companies – Not applicable

K. Investment in a Foreign Insurance Company – Not applicable

L. Downstream Noninsurance Holding Company – Not applicable

M. All SCA investments – Not applicable

N. Investment in Insurance SCAs – Not applicable

11. DEBT

A. Debt and Capital Notes – Not applicable

B. Federal Home Loan Bank Agreements – Not applicable

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company does not participate in retirement plans, deferred compensation, post-employment benefits and compensated absences and other post-retirement benefits plans.

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

(1) The Company has 25,000 shares authorized, issued and outstanding. All shares are common stock.

(2) The Company has no preferred stock authorized.

NOTES TO FINANCIAL STATEMENTS

- (3) The payment of dividends by the Company to its parent is regulated under Iowa law. Under Iowa law, the Company may pay dividends only from the earned surplus arising from its business and must receive the prior approval (or non-disapproval) of the Iowa Insurance Commissioner to pay any dividend that would exceed certain statutory limitations.
- (4) As of December 31, 2016 and December 31, 2015, no dividends were paid.
- (5) Iowa law provides that a Limited Purpose Subsidiary Life Insurance Company ("LPS") may pay dividends that do not decrease the capital of the LPS below the minimum capital and surplus requirements designated by the commissioner of the Iowa Department, provided that payment of such dividend would not jeopardize the ability of the LPS to fulfill its obligations.
- (6) The unassigned surplus is held for the benefit of the Company's shareholder.
- (7) There were no unpaid advances to surplus.
- (8) No shares of stock are held by the Company, including stock of affiliated companies, for special purposes.
- (9) There were no changes in balances of special surplus.
- (10) The portion of unassigned funds (surplus) represented or reduced by unrealized gains and (losses), net of capital gains tax, was \$0 at December 31, 2016 and December 31, 2015, respectively.
- (11) The Company issued a Variable Funding Surplus Note (surplus note) to on October 1, 2013, with an initial outstanding principal amount of \$0. As of December 31, 2016, the carrying value of the surplus note was \$0. There were no interest or principal payments made at December 31, 2016 and December 31, 2015.
- (12) There have not been any restatements due to quasi-reorganizations.
- (13) There have been no quasi-reorganizations.

14. CONTINGENCIES

- A. Contingent Commitments: Not applicable
- B. Assessments

Unfavorable economic conditions may contribute to an increase in the number of insurance companies that are under regulatory supervision. This may result in an increase in mandatory assessments by state guaranty funds, or voluntary payments by solvent insurance companies to cover losses to policyholders of insolvent or rehabilitated companies. Mandatory assessments, which are subject to statutory limits, can be partially recovered through a reduction in future premium taxes in some states, The Company is not able to reasonably estimate the potential impact of any such future assessments or voluntary payments.

- C. Gain Contingencies – Not applicable
- D. Claims Related Extra Contractual Obligation – Not applicable
- E. All Other Contingencies – Not applicable

15. LEASES

- A. Lessee Leasing Arrangements – Not applicable
- B. Lessor Leases – Not applicable

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The Company does not have any financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES

- A. Transfers of Receivables Reported as Sale – Not applicable
- B. Transfer and Servicing of Financial Assets – Not applicable
- C. Wash Sales

The Company generally does not sell and reacquire securities within 30 days of the sale date. There were no wash sale transactions with a NAIC designation of 3 or below in the current year.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS – Not applicable

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

The Company does not have any direct premium written by managing general agents or third party administrators.

20. FAIR VALUE MEASUREMENT

- A. The Company did not carry assets or liabilities at fair value as of December 31, 2016 or December 21, 2015.
- B. No additional disclosures are required pertaining to fair value measurement.

NOTES TO FINANCIAL STATEMENTS

C. Aggregate fair value for all financial instruments at reporting date:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Assets at fair value						
Bonds	\$ 21,575,308	\$ 20,490,414	\$ -	\$ 21,575,308	\$ -	\$ -
Short-term investments	4,891,913	4,891,913	4,891,913	-	-	-
Total Assets	\$ 26,467,221	\$ 25,382,327	\$ 4,891,913	\$ 21,575,308	\$ -	\$ -

D. Not Practicable to estimate fair value

As of December 31, 2016 and December 31, 2015, the Company did not own any financial instruments that were not practicable to estimate fair value.

21. OTHER ITEMS

A. Extraordinary Items

The Company had no reportable material extraordinary items.

B. Troubled Debt Restructuring – Not applicable

C. Other Disclosures and Unusual Items

The Company is the holder of a contingent note security utilized to enable the Company to secure statutory reserve credit for the reinsurance ceded to the Company under its reinsurance agreement. Total outstanding principal of the contingent note as of December 31, 2016 was \$264,479,623.

Effective October 1, 2014, the Company entered into an amendment to the retrocession agreement, originally made and entered into as of October 1, 2013 with Accordia Life and Annuity Company domiciled under the laws of the state of Iowa. The amendment covers individual Term and Indexed Universal Life with No-lapse guarantees issued during January 1, 2013 through December 31, 2014. Reserves of approximately \$50,000,000 were assumed.

The Company's Parent is currently undergoing a conversion to a new life insurance administration system, which impacts the business assumed. As part of this conversion certain life insurance policies have been temporarily restricted at December 31, 2015 resulting in a delay of the billing of premiums and other related policy transactions. In limited cases, estimates were used for restricted policy balances within the financial statements. Any variances to the estimates will be recorded as policies are released from the restricted status in future periods.

The Company's largest single life insurance policy face value as of December 31, 2016 is \$11,761,857.

D. The Company did not have any business interruption insurance recoveries as of December 31, 2016 or December 31, 2015.

E. State Transferable Tax Credits

The Company had no reportable state transferable tax credits.

F. Subprime Mortgage Related Risk Exposure

(1) While the Company holds no direct investments in subprime mortgage loans, the Company may have limited exposure to subprime borrowers through direct investments in primarily investment grade subprime residential mortgage-backed securities. The Company's definition of subprime is predominantly based on borrower statistics from a residential pool of mortgages. Included in the statistics evaluated is the average credit score of the borrower, the loan-to-value ratio, the debt-to-income statistics, and the diversity of all these statistics across the borrower profile. As is true for all securities in the Company's portfolio, the entire mortgage-backed asset portfolio is reviewed for impairments at least quarterly. Additionally, reviews of specific mortgage-backed securities are made on a periodic basis by reviewing both the unrealized gain/loss as well as changes to the underlying statistics. Included in the analysis are current delinquency and default statistics, as well as the current and original levels of subordination on the security.

(2) Direct exposure through investments in subprime mortgage loans – Not applicable

(3) Direct exposure through other investments

As of December 31, 2016 there were no direct exposures through other investments.

(4) Underwriting Exposure to subprime risk – Not applicable

G. Retained Assets – Not applicable

H. Reporting entities shall disclose information when they may receive possible proceeds as the issuer, ceding insurer or counterparty of insurance linked securities – Not applicable

22. EVENTS SUBSEQUENT

Type I – Recognized Subsequent Events – No Type I subsequent events to report

Type II – Non-recognized Subsequent Events – No Type II subsequent events to report

Subsequent events have been considered through February 22, 2017 for the statutory statement issued on March 1, 2017.

NOTES TO FINANCIAL STATEMENTS

23. REINSURANCE

A. Ceded Reinsurance Report:

Section 1 - General Interrogatories

- (1) Are any of the reinsurers listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee or director of the Company?

Yes () No (X)

- (2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 - Ceded Reinsurance Report - Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes () No (X)

- (2) Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 - Ceded Reinsurance Report - Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, for agreements not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary the Company may consider the current or anticipated experience of the business reinsured in making this estimate.
\$0

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

B. Uncollectible Reinsurance – Not applicable

C. Commutation of Ceded Reinsurance – Not applicable

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - Not applicable

E. For reinsurance of variable annuity contracts with an affiliated captive reinsurer – Not applicable

F. For reinsurance of variable annuity contracts with an affiliated captive reinsurer – Not applicable

G. Ceding Entities That Utilize Captive Reinsurers – Not applicable

24. RETROSPECTIVELY RATED CONTRACTS

The Company does not have any retrospectively rated contracts or contract subject to redetermination.

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

The Company does not have any change in incurred loss adjustment expenses attributable to insured events of prior years.

26. INTERCOMPANY POOLING ARRANGEMENTS

The Company does not have any inter-company pooling arrangements.

27. STRUCTURED SETTLEMENTS

The company does not have any structured settlements.

28. HEALTH CARE RECEIVABLES

The Company does not have any Healthcare.

29. PARTICIPATING POLICIES

The Company does not have any participating policies.

30. PREMIUM DEFICIENCY RESERVES (ACCIDENT AND HEALTH)

The Company does not have any premium deficiency reserves.

31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

- (1) The Company has no product types for which the waiver of deferred fractional premiums is applicable and no product types in which the return of any portion of the final premium beyond the date of death is applicable.

NOTES TO FINANCIAL STATEMENTS

- (2) Extra premium are not charged on substandard lives for Universal Life (UL) product types. UL CARVM reserves are based on appropriate multiples of standard rates of mortality.
- (3) As of December 31, 2016, the Company had no insurance in force for which the gross premiums are less than that net premiums according to the standard valuation set by the State of Iowa.
- (4) The tabular interest at December 31, 2016, (Page 7, Line 4), tabular less actual reserve released (Page 7, Line 5) and tabular cost (Page 7, Line 9) have been determined by formula as described in the NAIC instructions for Page 7.
- (5) The tabular interest on funds not involving life contingencies is calculated as the product of the mean fund balance and the average valuation interest rate.
- (6) There are no significant "Other Increases (net)" under Page 7, Line 7 or Exhibit 7, Line 4, as of December 31, 2016.

32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT LIABILITIES BY WITHDRAWAL CHARACTERISTICS

The Company does not have any reserves, deposit-type contracts funds or other liabilities without life contingencies.

33. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2016, were as follows:

<u>Type</u>	<u>Gross</u>	<u>Net of Loading</u>
(1) Industrial	\$ -	\$ -
(2) Ordinary New Business	-	-
(3) Ordinary Renewal	5,069,683	5,069,683
(4) Credit Life	-	-
(5) Group Life	-	-
(6) Group Annuity	-	-
(7) Total	<u>\$ 5,069,683</u>	<u>\$ 5,069,683</u>

34. SEPARATE ACCOUNTS

The Company does not have a separate account.

35. LOSS/CLAIM ADJUSTMENT EXPENSES

The Company does not have any loss/claim adjustment expenses.

GENERAL INTERROGATORIES

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 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, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? Iowa
- 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 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014
- 3.2 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. 12/31/2014
- 3.3 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). 04/29/2016
- 3.4 By what department or departments?
Iowa insurance Department
- 3.5 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]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 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

1 Nationality	2 Type of Entity
Bermuda	Corporation

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [X] No []
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
The Goldman Sachs Group, Inc.
- 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
The Goldman Sachs Group, Inc.	New York, NY	YES	NO	NO	YES
Goldman Sachs & Co.	New York, NY	NO	YES	NO	YES
Goldman Sachs Execution & Clearing, L.P.	Jersey City, NJ	NO	YES	NO	YES
Goldman Sachs Financial Markets, L.P.	New York, NY	NO	NO	NO	YES
REDI Global Technologies LLC	New York, NY	NO	NO	NO	YES
Epoch Securities, Inc.	New York, NY	NO	NO	NO	YES
The Goldman Sachs Trust Company, N.A.	New York, NY	NO	YES	YES	NO
Goldman Sachs Bank USA	Salt Lake City, UT	YES	NO	YES	NO
Goldman Sachs Asset Management, L.P.	New York, NY	NO	NO	NO	YES
Mercer Allied Company, L.P.	Saratoga Springs, NY	NO	NO	NO	YES
Forethought Investment Advisors, LLC	Indianapolis, IN	NO	NO	NO	YES
Forethought Distributors, LLC	Simsbury, CT	NO	NO	NO	YES

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Pricewaterhouse Coopers, 699 Walnut Street, Des Moines, IA 50310
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
David Neve, 215 10th Street, Suite 1100, Des Moines, IA 50309, Vice President, Chief Actuary, and Appointed Actuary
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value \$
- 12.2 If, yes provide explanation:
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 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.
- 14.11 If the response to 14.1 is No, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$
 - 20.12 To stockholders not officers.....\$
 - 20.13 Trustees, supreme or grand (Fraternal Only).....\$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$
 - 20.22 To stockholders not officers.....\$
 - 20.23 Trustees, supreme or grand (Fraternal Only).....\$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$
 - 21.22 Borrowed from others.....\$
 - 21.23 Leased from others.....\$
 - 21.24 Other.....\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$
 - 22.22 Amount paid as expenses.....\$
 - 22.23 Other amounts paid.....\$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

GENERAL INTERROGATORIES

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 24.103 Total payable for securities lending reported on the liability page \$

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [] No [X]

- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$
 - 25.22 Subject to reverse repurchase agreements \$
 - 25.23 Subject to dollar repurchase agreements \$
 - 25.24 Subject to reverse dollar repurchase agreements \$
 - 25.25 Placed under option agreements \$
 - 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$
 - 25.27 FHLB Capital Stock \$
 - 25.28 On deposit with states \$
 - 25.29 On deposit with other regulatory bodies \$
 - 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$
 - 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$
 - 25.32 Other \$

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. 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 []

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
US Bank N.A.	1025 Connecticut Avenue, NW Suite 517, Washington, DC 20036

28.02 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)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

28.04 If yes, give full and complete information relating thereto:

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

GENERAL INTERROGATORIES

28.05 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
Internal Global Atlantic Investment Team	I.....
Goldman Sachs Asset Management CLO, Corp.	A.....
.....

28.0597 For those firms/individuals listed in the table for Question 28.05, 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]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [] No [X]

28.06 For those firms or individuals listed in the table for 28.05 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
.....	Goldman Sachs Asset Management CLO, Corp.	5493000C7DKPYVEOMA87 .....	.....	0S.....
.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	21,781,641	21,987,718	206,077
30.2 Preferred stocks			
30.3 Totals	21,781,641	21,987,718	206,077

30.4 Describe the sources or methods utilized in determining the fair values:

Fair values are generally derived using external independent pricing vendors and validated by comparing to broker quotes, recent open market trades and/or internally developed pricing models.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

32.2 If no, list exceptions:
.....

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any?\$

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U.S. business only \$

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.31 Reason for excluding:
.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$

1.62 Total incurred claims \$

1.63 Number of covered lives

All years prior to most current three years

1.64 Total premium earned \$

1.65 Total incurred claims \$

1.66 Number of covered lives

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$

1.72 Total incurred claims \$

1.73 Number of covered lives

All years prior to most current three years

1.74 Total premium earned \$

1.75 Total incurred claims \$

1.76 Number of covered lives

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator		
2.2 Premium Denominator	36,291,966	37,917,949
2.3 Premium Ratio (2.1/2.2)	0.000	0.000
2.4 Reserve Numerator		
2.5 Reserve Denominator	696,376,482	664,218,692
2.6 Reserve Ratio (2.4/2.5)	0.000	0.000

3.1 Does this reporting entity have Separate Accounts? Yes [] No [X]

3.2 If yes, has a Separate Accounts Statement been filed with this Department? Yes [] No [] N/A [X]

3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$

3.4 State the authority under which Separate Accounts are maintained:
.....

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No [X]

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No [X]

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)"?

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [X] No []

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid \$

4.22 Received \$

5.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No [X]

5.2 If yes, what amount pertaining to these lines is included in:

5.21 Page 3, Line 1 \$

5.22 Page 4, Line 1 \$

6. FOR STOCK REPORTING ENTITIES ONLY:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$ 25,500,000

7. Total dividends paid stockholders since organization of the reporting entity:

7.11 Cash \$

7.12 Stock \$

GENERAL INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes [] No []

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium
8.32 Paid claims
8.33 Claim liability and reserve (beginning of year)
8.34 Claim liability and reserve (end of year)
8.35 Incurred claims

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

	Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 - 99,999	.....	.....
8.43	\$100,000 - 249,999	.....	.....
8.44	\$250,000 - 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools?\$

9.1 Does the company have variable annuities with guaranteed benefits? Yes [] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1	2	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
Guaranteed Death Benefit	Guaranteed Living Benefit							
.....

10. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year:\$

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1	2
	Statement Value on Purchase Date of Annuities (i.e., Present Value)
P&C Insurance Company And Location

11.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

11.2 If yes, please provide the amount of custodial funds held as of the reporting date.\$

11.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

11.4 If yes, please provide the balance of funds administered as of the reporting date.\$

GENERAL INTERROGATORIES

12.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [] N/A [X]
 12.2 If the answer to 12.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

13. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

13.1 Direct Premium Written\$
 13.2 Total Incurred Claims\$
 13.3 Number of Covered Lives

*Ordinary Life Insurance Includes
Term (whether full underwriting,limited underwriting,jet issue,"short form app")
Whole Life (whether full underwriting,limited underwriting,jet issue,"short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

Show amounts of life insurance in this exhibit in thousands (OMIT \$000)

	1 2016	2 2015	3 2014	4 2013	5 2012
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4)	3,741,723	3,866,110	4,000,295	3,232,197	
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	1,108,532	1,055,441	1,210,890	884,960	
3. Credit life (Line 21, Col. 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)					
5. Industrial (Line 21, Col. 2)					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)					
7. Total (Line 21, Col. 10)	4,850,255	4,921,551	5,211,185	4,117,157	
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2)					
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)					
10. Credit life (Line 2, Col. 6)					
11. Group (Line 2, Col. 9)					
12. Industrial (Line 2, Col. 2)					
13. Total (Line 2, Col. 10)					
Premium Income - Lines of Business (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2)					
15.1 Ordinary-life insurance (Line 20.4, Col. 3)	36,291,966	37,917,949	48,029,192	361,297,154	
15.2 Ordinary-individual annuities (Line 20.4, Col. 4)					
16. Credit life (group and individual) (Line 20.4, Col. 5)					
17.1 Group life insurance (Line 20.4, Col. 6)					
17.2 Group annuities (Line 20.4, Col. 7)					
18.1 A & H-group (Line 20.4, Col. 8)					
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9)					
18.3 A & H-other (Line 20.4, Col. 10)					
19. Aggregate of all other lines of business (Line 20.4, Col. 11)					
20. Total	36,291,966	37,917,949	48,029,192	361,297,154	
Balance Sheet (Pages 2 & 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	816,397,794	747,288,762	708,941,735	550,424,686	
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	757,298,854	686,449,212	655,150,343	499,902,789	
23. Aggregate life reserves (Page 3, Line 1)	728,918,163	664,218,692	610,386,095	483,370,068	
24. Aggregate A & H reserves (Page 3, Line 2)					
25. Deposit-type contract funds (Page 3, Line 3)					
26. Asset valuation reserve (Page 3, Line 24.01)	84,891	81,535	59,334	33,863	
27. Capital (Page 3, Lines 29 and 30)	2,500,000	2,500,000	2,500,000	2,500,000	
28. Surplus (Page 3, Line 37)	56,598,940	58,339,550	51,291,392	48,021,897	
Cash Flow (Page 5)					
29. Net Cash from Operations (Line 11)	2,511,795	(15,267,751)	9,276,744	40,328	
Risk-Based Capital Analysis					
30. Total adjusted capital	59,183,831	60,921,085	53,850,726	50,555,760	
31. Authorized control level risk - based capital	4,725,302	4,168,324	4,077,625	3,487,117	
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1)	68.0	84.9	86.2	89.9	
33. Stocks (Lines 2.1 and 2.2)					
34. Mortgage loans on real estate(Lines 3.1 and 3.2)					
35. Real estate (Lines 4.1, 4.2 and 4.3)					
36. Cash, cash equivalents and short-term investments (Line 5)	17.8	2.1	6.2	1.6	
37. Contract loans (Line 6)	14.2	13.0	7.6	8.4	
38. Derivatives (Page 2, Line 7)					
39. Other invested assets (Line 8)					
40. Receivables for securities (Line 9)				0.0	
41. Securities lending reinvested collateral assets (Line 10)					
42. Aggregate write-ins for invested assets (Line 11)					
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2016	2 2015	3 2014	4 2013	5 2012
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1)					
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1)					
46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1),					
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)					
48. Affiliated mortgage loans on real estate					
49. All other affiliated					
50. Total of above Lines 44 to 49					
51. Total Investment in Parent included in Lines 44 to 49 above					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2)	55,982,997	54,698,258	55,297,949	50,480,397	
53. Total admitted assets (Page 2, Line 28, Col. 3)	816,397,794	747,288,762	708,941,735	550,424,686	
Investment Data					
54. Net investment income (Exhibit of Net Investment Income)	684,502	749,721	964,683	251,778	
55. Realized capital gains (losses) (Page 4, Line 34, Column 1)	15,755	259,769	18,190	12,376	
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)					
57. Total of above Lines 54, 55 and 56	700,257	1,009,490	982,873	264,154	
Benefits and Reserve Increases (Page 6)					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11, 12, 13, 14 and 15 Cols. 9, 10 and 11)	23,299,282	17,049,167	10,916,718	1,998,198	
59. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)					
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3)	64,699,472	53,832,596	127,016,027	483,370,069	
61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)					
62. Dividends to policyholders (Line 30, Col. 1)					
Operating Percentages					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0	9.9	11.4	9.0	0.3	
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0	2.6	4.6	2.7	1.8	
65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2)					
66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2)					
67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2)					
A & H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2)					
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2)					
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)					
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)					
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2)					
73. Ordinary - life (Col. 3)	(21,309,540)	(5,686,481)	(49,478,282)	(130,820,277)	
74. Ordinary - individual annuities (Col. 4)					
75. Ordinary-supplementary contracts (Col. 5)					
76. Credit life (Col. 6)					
77. Group life (Col. 7)					
78. Group annuities (Col. 8)					
79. A & H-group (Col. 9)					
80. A & H-credit (Col. 10)					
81. A & H-other (Col. 11)					
82. Aggregate of all other lines of business (Col. 12)					
83. Total (Col. 1)	(21,309,540)	(5,686,481)	(49,478,282)	(130,820,277)	

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []
 If no, please explain:



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

DIRECT BUSINESS IN THE STATE OF Grand Total

DURING THE YEAR 2016

NAIC Group Code 3891

LIFE INSURANCE

NAIC Company Code 15473

Table with 5 columns: 1 Ordinary, 2 Credit Life (Group and Individual), 3 Group, 4 Industrial, 5 Total. Rows include: DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS, DIRECT DIVIDENDS TO POLICYHOLDERS, DIRECT CLAIMS AND BENEFITS PAID, DETAILS OF WRITE-INS. Large 'NONE' watermark is present.

Table with 10 columns: 1 No., 2 Amount, 3 No. of Ind.Pols. & Gr. Certifs., 4 Amount, 5 No. of Certifs., 6 Amount, 7 No., 8 Amount, 9 No., 10 Amount. Rows include: DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED, POLICY EXHIBIT. Large 'NONE' watermark is present.

(a) Includes Individual Credit Life Insurance prior year \$..., current year \$... Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year \$..., current year \$... Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS, prior year \$..., current year \$...

ACCIDENT AND HEALTH INSURANCE

Table with 5 columns: 1 Direct Premiums, 2 Direct Premiums Earned, 3 Dividends Paid Or Credited On Direct Business, 4 Direct Losses Paid, 5 Direct Losses Incurred. Rows include: 24. Group Policies (b), 24.1 Federal Employees Health Benefits Plan premium (b), 24.2 Credit (Group and Individual), 24.3 Collectively renewable policies (b), 24.4 Medicare Title XVIII exempt from state taxes or fees Other Individual Policies: 25.1 Non-cancelable (b), 25.2 Guaranteed renewable (b), 25.3 Non-renewable for stated reasons only (b), 25.4 Other accident only, 25.5 All other (b), 25.6 Totals (sum of Lines 25.1 to 25.5), 26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 24.4 + 25.6). Large 'NONE' watermark is present.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products ... and number of persons insured under indemnity only products ...

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7 Policies	8 Certificates	Amount of Insurance (a)	
1. In force end of prior year			22,666	4,921,551						4,921,551
2. Issued during year										
3. Reinsurance assumed										
4. Revived during year			498	86,105						86,105
5. Increased during year (net)				2,352						2,352
6. Subtotals, Lines 2 to 5			498	88,457						88,457
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		
8. Aggregate write-ins for increases										
9. Totals (Lines 1 and 6 to 8)			23,164	5,010,008						5,010,008
Deductions during year:										
10. Death			79	21,449			XXX			21,449
11. Maturity							XXX			
12. Disability							XXX			
13. Expiry										
14. Surrender			220	54,855						54,855
15. Lapse			420	73,777						73,777
16. Conversion							XXX	XXX	XXX	
17. Decreased (net)				9,672						9,672
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. Totals (Lines 10 to 19)			719	159,753						159,753
21. In force end of year (Line 9 minus Line 20)			22,445	4,850,255						4,850,255
22. Reinsurance ceded end of year	XXX		XXX		XXX		XXX	XXX		
23. Line 21 minus Line 22	XXX		XXX	4,850,255	XXX	(b)	XXX	XXX		4,850,255
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above)										
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above)										

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) Group \$; Individual \$

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends			XXX	
25. Other paid-up insurance				
26. Debit ordinary insurance	XXX	XXX		

NONE

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies - decreasing				
28. Term policies - other			7,994	1,108,532
29. Other term insurance - decreasing	XXX		XXX	
30. Other term insurance	XXX		XXX	
31. Totals (Lines 27 to 30)			7,994	1,108,532
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX		XXX	
33. Totals, extended term insurance	XXX	XXX		
34. Totals, whole life and endowment			14,451	3,741,723
35. Totals (Lines 31 to 34)			22,445	4,850,255

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary			4,850,255	
38. Credit Life (Group and Individual)				
39. Group				
40. Totals (Lines 36 to 39)			4,850,255	

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to reinsurers			XXX	
42. Number in force end of year if the number under ceding reinsurers is counted on a pro-rata basis		XXX		XXX
43. Federal Employees' Group Life Insurance included in Line 21				
44. Servicemen's Group Life Insurance included in Line 21				
45. Group Permanent Insurance included in Line 21				

NONE

ADDITIONAL INFORMATION ON ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force at year end under ordinary policies (a)	
---	--

NONE

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.	
47.1 Amount of insurance in force on the policy anniversary in current year	
47.2 Flat amount per unit for spouse and children	

POLICIES WITH DISABILITY PROVISIONS

Disability Provisions	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium			1,810	302,886				
49. Disability Income								
50. Extended Benefits			XXX	XXX				
51. Other								
52. Total		(b)	1,810	(b) 302,886		(b)		(b)

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions

Exhibit of Number of Policies, Contracts, ...Supplementary Contracts

NONE

Exhibit of Number of Policies, Contracts, ...Annuities

NONE

Exhibit of Number of Policies, Contracts, ...Accident and Health Insurance

NONE

Exhibit of Number of Policies, Contracts, ...Deposit Funds

NONE

FORM FOR CALCULATING THE INTEREST MAINTENANCE RESERVE

INTEREST MAINTENANCE RESERVE

	1 Amount
1. Reserve as of December 31, Prior Year	13,759,358
2. Current year's realized pre-tax capital gains/(losses) of \$181,034 transferred into the reserve net of taxes of \$63,362	117,672
3. Adjustment for current year's liability gains/(losses) released from the reserve	
4. Balance before reduction for amount transferred to Summary of Operations (Line 1 + Line 2 + Line 3)	13,877,030
5. Current year's amortization released to Summary of Operations (Amortization, Line 1, Column 4)	990,822
6. Reserve as of December 31, current year (Line 4 minus Line 5)	12,886,208

AMORTIZATION

Year of Amortization	1 Reserve as of December 31, Prior Year	2 Current Year's Realized Capital Gains/(Losses) Transferred into the Reserve Net of Taxes	3 Adjustment for Current Year's Liability Gains/(Losses) Released From the Reserve	4 Balance Before Reduction for Current Year's Amortization (Cols. 1 + 2 + 3)
1. 2016	988,505	2,317		990,822
2. 2017	869,842	4,771		874,614
3. 2018	760,895	5,016		765,911
4. 2019	697,493	5,425		702,918
5. 2020	669,526	5,877		675,403
6. 2021	643,555	6,336		649,891
7. 2022	619,823	6,274		626,098
8. 2023	601,753	6,012		607,765
9. 2024	584,875	5,543		590,418
10. 2025	580,829	5,194		586,023
11. 2026	578,409	4,673		583,082
12. 2027	578,425	4,868		583,293
13. 2028	570,924	5,183		576,107
14. 2029	567,798	5,744		573,542
15. 2030	549,100	6,205		555,306
16. 2031	533,968	6,830		540,798
17. 2032	517,848	6,515		524,363
18. 2033	501,441	5,449		506,891
19. 2034	474,036	4,328		478,364
20. 2035	430,498	3,117		433,616
21. 2036	379,453	1,967		381,421
22. 2037	322,332	1,321		323,653
23. 2038	248,286	1,331		249,617
24. 2039	185,331	1,305		186,636
25. 2040	137,950	1,332		139,282
26. 2041	92,124	1,310		93,434
27. 2042	51,896	1,208		53,104
28. 2043	17,438	962		18,399
29. 2044	3,849	691		4,540
30. 2045	1,155	419		1,574
31. 2046 and Later		148		148
32. Total (Lines 1 to 31)	13,759,358	117,672		13,877,030

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

ASSET VALUATION RESERVE

	Default Component			Equity Component			7 Total Amount (Cols. 3 + 6)
	1 Other Than Mortgage Loans	2 Mortgage Loans	3 Total (Cols. 1 + 2)	4 Common Stock	5 Real Estate and Other Invested Assets	6 Total (Cols. 4 + 5)	
1. Reserve as of December 31, prior year	81,535		81,535				81,535
2. Realized capital gains/(losses) net of taxes - General Account							
3. Realized capital gains/(losses) net of taxes - Separate Accounts							
4. Unrealized capital gains/(losses) net of deferred taxes - General Account							
5. Unrealized capital gains/(losses) net of deferred taxes - Separate Accounts							
6. Capital gains credited/(losses charged) to contract benefits, payments or reserves							
7. Basic contribution	15,360		15,360				15,360
8. Accumulated balances (Lines 1 through 5 - 6 + 7)	96,895		96,895				96,895
9. Maximum reserve	84,891		84,891				84,891
10. Reserve objective	60,258		60,258				60,258
11. 20% of (Line 10 - Line 8)	(7,327)		(7,327)				(7,327)
12. Balance before transfers (Lines 8 + 11)	89,567		89,567				89,567
13. Transfers							
14. Voluntary contribution							
15. Adjustment down to maximum/up to zero	(4,676)		(4,676)				(4,676)
16. Reserve as of December 31, current year (Lines 12 + 13 + 14 + 15)	84,891		84,891				84,891

**ASSET VALUATION RESERVE
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
LONG-TERM BONDS												
1.		Exempt Obligations		XXX	XXX		0.0000		0.0000		0.0000	
2.	1	Highest Quality	13,493,637	XXX	XXX	13,493,637	0.0004	5,397	0.0023	31,035	0.0030	40,481
3.	2	High Quality	3,426,143	XXX	XXX	3,426,143	0.0019	6,510	0.0058	19,872	0.0090	30,835
4.	3	Medium Quality	344,605	XXX	XXX	344,605	0.0093	3,205	0.0230	7,926	0.0340	11,717
5.	4	Low Quality		XXX	XXX		0.0213		0.0530		0.0750	
6.	5	Lower Quality		XXX	XXX		0.0432		0.1100		0.1700	
7.	6	In or Near Default		XXX	XXX		0.0000		0.2000		0.2000	
8.		Total Unrated Multi-class Securities Acquired by Conversion		XXX	XXX		XXX		XXX		XXX	
9.		Total Long-Term Bonds (Sum of Lines 1 through 8)	17,264,385	XXX	XXX	17,264,385	XXX	15,112	XXX	58,833	XXX	83,033
PREFERRED STOCK												
10.	1	Highest Quality		XXX	XXX		0.0004		0.0023		0.0030	
11.	2	High Quality		XXX	XXX		0.0019		0.0058		0.0090	
12.	3	Medium Quality		XXX	XXX		0.0093		0.0230		0.0340	
13.	4	Low Quality		XXX	XXX		0.0213		0.0530		0.0750	
14.	5	Lower Quality		XXX	XXX		0.0432		0.1100		0.1700	
15.	6	In or Near Default		XXX	XXX		0.0000		0.2000		0.2000	
16.		Affiliated Life with AVR		XXX	XXX		0.0000		0.0000		0.0000	
17.		Total Preferred Stocks (Sum of Lines 10 through 16)		XXX	XXX		XXX		XXX		XXX	
SHORT - TERM BONDS												
18.		Exempt Obligations	3,897,770	XXX	XXX	3,897,770	0.0000		0.0000		0.0000	
19.	1	Highest Quality	619,485	XXX	XXX	619,485	0.0004	248	0.0023	1,425	0.0030	1,858
20.	2	High Quality		XXX	XXX		0.0019		0.0058		0.0090	
21.	3	Medium Quality		XXX	XXX		0.0093		0.0230		0.0340	
22.	4	Low Quality		XXX	XXX		0.0213		0.0530		0.0750	
23.	5	Lower Quality		XXX	XXX		0.0432		0.1100		0.1700	
24.	6	In or Near Default		XXX	XXX		0.0000		0.2000		0.2000	
25.		Total Short - Term Bonds (Sum of Lines 18 through 24)	4,517,255	XXX	XXX	4,517,255	XXX	248	XXX	1,425	XXX	1,858
DERIVATIVE INSTRUMENTS												
26.		Exchange Traded		XXX	XXX		0.0004		0.0023		0.0030	
27.	1	Highest Quality		XXX	XXX		0.0004		0.0023		0.0030	
28.	2	High Quality		XXX	XXX		0.0019		0.0058		0.0090	
29.	3	Medium Quality		XXX	XXX		0.0093		0.0230		0.0340	
30.	4	Low Quality		XXX	XXX		0.0213		0.0530		0.0750	
31.	5	Lower Quality		XXX	XXX		0.0432		0.1100		0.1700	
32.	6	In or Near Default		XXX	XXX		0.0000		0.2000		0.2000	
33.		Total Derivative Instruments		XXX	XXX		XXX		XXX		XXX	
34.		Total (Lines 9 + 17 + 25 + 33)	21,781,640	XXX	XXX	21,781,640	XXX	15,360	XXX	60,258	XXX	84,891

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
MORTGAGE LOANS												
In Good Standing:												
35.		Farm Mortgages - CM1 - Highest Quality			XXX		0.0010		0.0050		0.0065	
36.		Farm Mortgages - CM2 - High Quality			XXX		0.0035		0.0100		0.0130	
37.		Farm Mortgages - CM3 - Medium Quality			XXX		0.0060		0.0175		0.0225	
38.		Farm Mortgages - CM4 - Low Medium Quality			XXX		0.0105		0.0300		0.0375	
39.		Farm Mortgages - CM5 - Low Quality			XXX		0.0160		0.0425		0.0550	
40.		Residential Mortgages - Insured or Guaranteed			XXX		0.0003		0.0006		0.0010	
41.		Residential Mortgages - All Other			XXX		0.0013		0.0030		0.0040	
42.		Commercial Mortgages - Insured or Guaranteed			XXX		0.0003		0.0006		0.0010	
43.		Commercial Mortgages - All Other - CM1 - Highest Quality			XXX		0.0010		0.0050		0.0065	
44.		Commercial Mortgages - All Other - CM2 - High Quality			XXX		0.0035		0.0100		0.0130	
45.		Commercial Mortgages - All Other - CM3 - Medium Quality			XXX		0.0060		0.0175		0.0225	
46.		Commercial Mortgages - All Other - CM4 - Low Medium Quality			XXX		0.0105		0.0300		0.0375	
47.		Commercial Mortgages - All Other - CM5 - Low Quality			XXX		0.0160		0.0425		0.0550	
Overdue, Not in Process:												
48.		Farm Mortgages			XXX		0.0420		0.0760		0.1200	
49.		Residential Mortgages - Insured or Guaranteed			XXX		0.0005		0.0012		0.0020	
50.		Residential Mortgages - All Other			XXX		0.0025		0.0058		0.0090	
51.		Commercial Mortgages - Insured or Guaranteed			XXX		0.0005		0.0012		0.0020	
52.		Commercial Mortgages - All Other			XXX		0.0420		0.0760		0.1200	
In Process of Foreclosure:												
53.		Farm Mortgages			XXX		0.0000		0.1700		0.1700	
54.		Residential Mortgages - Insured or Guaranteed			XXX		0.0000		0.0040		0.0040	
55.		Residential Mortgages - All Other			XXX		0.0000		0.0130		0.0130	
56.		Commercial Mortgages - Insured or Guaranteed			XXX		0.0000		0.0040		0.0040	
57.		Commercial Mortgages - All Other			XXX		0.0000		0.1700		0.1700	
58.		Total Schedule B Mortgages (Sum of Lines 35 through 57)			XXX		XXX		XXX		XXX	
59.		Schedule DA Mortgages			XXX		0.0030		0.0100		0.0130	
60.		Total Mortgage Loans on Real Estate (Lines 58 + 59)			XXX		XXX		XXX		XXX	

Asset Valuation Reserve - Equity Component

NONE

Asset Valuation Reserve Replications (Synthetic) Assets

NONE

Schedule F - Claims

NONE

Schedule H - Part 1 - Analysis of Underwriting Operations

NONE

Schedule H - Part 2 - Reserves and Liabilities

NONE

Schedule H - Part 3 - Prior Year's Claim Reserves and Liabilities

NONE

Schedule H - Part 4 - Reinsurance

NONE

Schedule H - Part 5 - Health Claims

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE S - PART 1 - SECTION 1

Reinsurance Assumed Life Insurance, Annuities, Deposit Funds and Other Liabilities Without Life or Disability Contingencies, and Related Benefits Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Amount of In Force at End of Year	8 Reserve	9 Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
62200	95-2496321	10/01/2013	Accordia Life and Annuity Company	IA	ACOFW/I	4,850,255	728,918,163	36,291,966			505,813,059
0299999. General Account - U.S. Affiliates - Other						4,850,255	728,918,163	36,291,966			505,813,059
0399999. Total General Account - U.S. Affiliates						4,850,255	728,918,163	36,291,966			505,813,059
0699999. Total General Account - Non-U.S. Affiliates											
0799999. Total General Account - Affiliates						4,850,255	728,918,163	36,291,966			505,813,059
1099999. Total General Account - Non-Affiliates											
1199999. Total General Account						4,850,255	728,918,163	36,291,966			505,813,059
1499999. Total Separate Accounts - U.S. Affiliates											
1799999. Total Separate Accounts - Non-U.S. Affiliates											
1899999. Total Separate Accounts - Affiliates											
2199999. Total Separate Accounts - Non-Affiliates											
2299999. Total Separate Accounts											
2399999. Total U.S. (Sum of 0399999, 0899999, 1499999 and 1999999)						4,850,255	728,918,163	36,291,966			505,813,059
2499999. Total Non-U.S. (Sum of 0699999, 0999999, 1799999 and 2099999)											
9999999 - Totals						4,850,255	728,918,163	36,291,966			505,813,059

Schedule S - Part 1 - Section 2

NONE

Schedule S - Part 2

NONE

Schedule S - Part 3 - Section 1

NONE

Schedule S - Part 3 - Section 2

NONE

Schedule S - Part 4

NONE

Schedule S - Part 4 - Bank Footnote

NONE

Schedule S - Part 5

NONE

Schedule S - Part 5 - Bank Footnote

NONE

Schedule S - Part 6

NONE

Schedule S - Part 7

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Direct Business Only					
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
		2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama	AL	N					
2. Alaska	AK	N					
3. Arizona	AZ	N					
4. Arkansas	AR	N					
5. California	CA	N					
6. Colorado	CO	N					
7. Connecticut	CT	N					
8. Delaware	DE	N					
9. District of Columbia	DC	N					
10. Florida	FL	N					
11. Georgia	GA	N					
12. Hawaii	HI	N					
13. Idaho	ID	N					
14. Illinois	IL	N					
15. Indiana	IN	N					
16. Iowa	IA	N					
17. Kansas	KS	N					
18. Kentucky	KY	N					
19. Louisiana	LA	N					
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					
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					
35. North Dakota	ND	N					
36. Ohio	OH	N					
37. Oklahoma	OK	N					
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					
44. Texas	TX	N					
45. Utah	UT	N					
46. Vermont	VT	N					
47. Virginia	VA	N					
48. Washington	WA	N					
49. West Virginia	WV	N					
50. Wisconsin	WI	N					
51. Wyoming	WY	N					
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 Alien	OT	XXX					
59. Subtotal	(a)	1					
90. Reporting entity contributions for employee benefits plans		XXX					
91. Dividends or refunds applied to purchase paid-up additions and annuities		XXX					
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					
94. Aggregate or other amounts not allocable by State		XXX					
95. Totals (Direct Business)		XXX					
96. Plus reinsurance assumed		XXX	35,923,802			35,923,802	
97. Totals (All Business)		XXX	35,923,802			35,923,802	
98. Less reinsurance ceded		XXX					
99. Totals (All Business) less Reinsurance Ceded		XXX	35,923,802	(b)		35,923,802	
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					

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (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.

Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Premium and annuity considerations were allocated to state according to the mailing address of the policyholder.

(a) Insert the number of L responses except for Canada and Other Alien.

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10, or with Schedule H, Part 1, Line 1, indicate which: Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10.

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

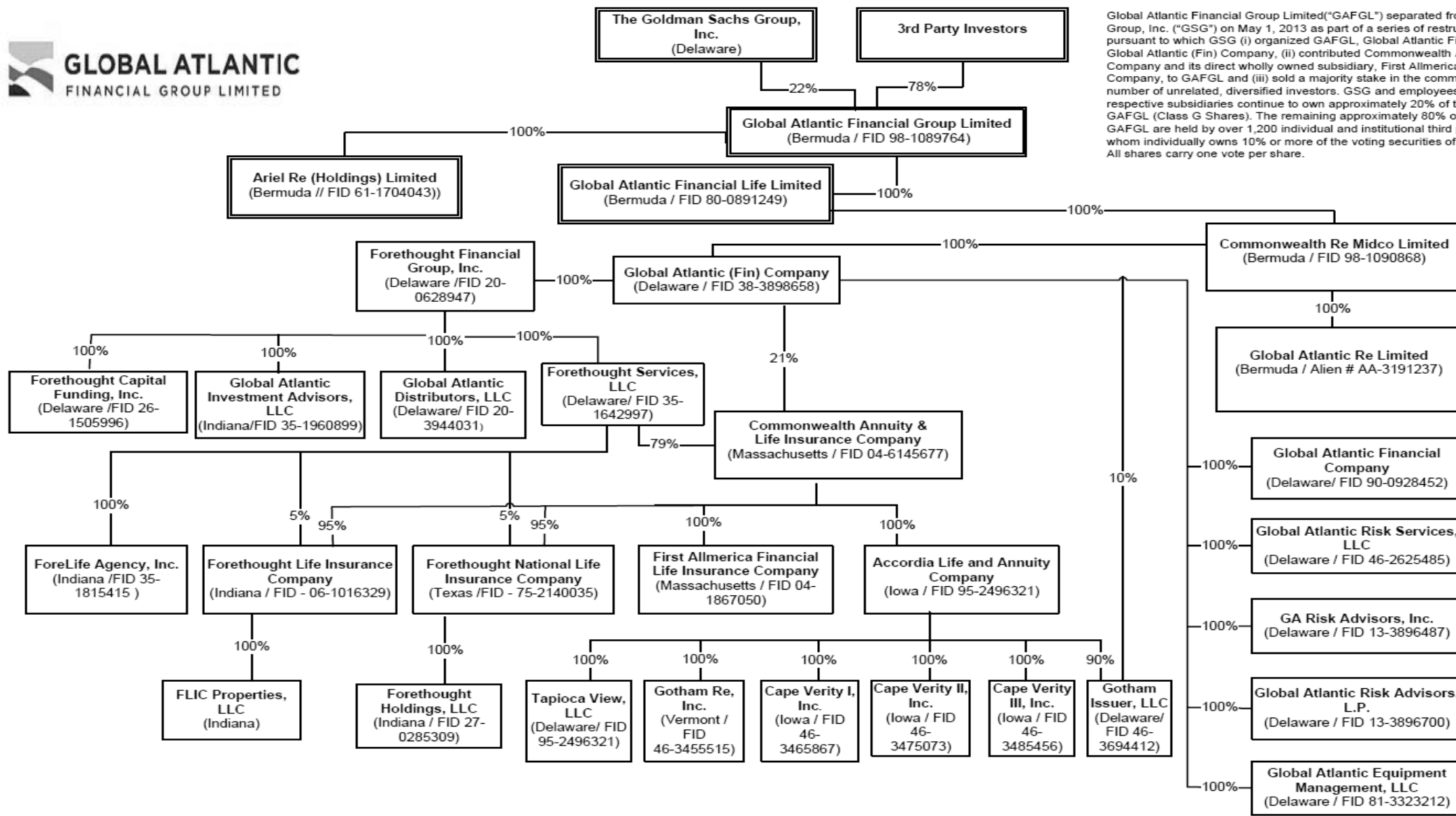
Allocated by States and Territories

States, Etc.	Direct Business Only					Totals
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR					
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM					
33. New York	NY					
34. North Carolina	NC					
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. U.S. Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CAN					
58. Aggregate Other Alien	OT					
59. Total						

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



Global Atlantic Financial Group Limited("GAFGL") separated from The Goldman Sachs Group, Inc. ("GSG") on May 1, 2013 as part of a series of restructuring transactions pursuant to which GSG (i) organized GAFGL, Global Atlantic Financial Life Limited and Global Atlantic (Fin) Company, (ii) contributed Commonwealth Annuity and Life Insurance Company and its direct wholly owned subsidiary, First Allmerca Financial Life Insurance Company, to GAFGL and (iii) sold a majority stake in the common shares of GAFGL to a number of unrelated, diversified investors. GSG and employees of GSG, GAFGL, and their respective subsidiaries continue to own approximately 20% of the voting securities of GAFGL (Class G Shares). The remaining approximately 80% of the voting securities of GAFGL are held by over 1,200 individual and institutional third party investors, none of whom individually owns 10% or more of the voting securities of GAFGL (Class A Shares). All shares carry one vote per share.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

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)	*
		.00000	80-0891249				Global Atlantic Financial Life Limited	BMJ	NIA	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	90-0928452				Global Atlantic Financial Company	DE	NIA	Global Atlantic (Fin) Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	38-3898658				Global Atlantic (Fin) Company	DE	NIA	Commonwealth Re Midco Limited	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	98-1090868				Commonwealth Re Midco Limited	BMJ	NIA	Global Atlantic Financial Life Limited	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	98-1090854				Global Atlantic Re Limited	BMJ	IA	Commonwealth Re Midco Limited	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	61-1704043				Ariel Re (Holdings) Limited	BMJ	NIA	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	46-2625485				Global Atlantic Risk Services, LLC	DE	NIA	Global Atlantic (Fin) Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	13-3896700				Global Atlantic Risk Advisors, L.P.	DE	NIA	Global Atlantic (Fin) Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	13-3896487				GA Risk Advisors, Inc.	DE	NIA	Global Atlantic (Fin) Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	98-1089764	4520225			GLOBAL ATLANTIC FINANCIAL GROUP LIMITED	BMJ	NIA	THE GOLDMAN SACHS GROUP, INC.	Ownership	22.000	THE GOLDMAN SACHS GROUP, INC.		
		.00000	98-1089764	4520225			GLOBAL ATLANTIC FINANCIAL GROUP LIMITED	BMJ	NIA	Third Party Investors	Ownership	78.000	Third Party Investors		
3891	Goldman Sachs Grp	69140	04-1867050	2578101	793699		First Allmerica Financial Life Insurance Company	MA	IA	Commonwealth Annuity and Life Insurance Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
3891	Goldman Sachs Grp	84824	04-6145677	3958278	1086664		Commonwealth Annuity and Life Insurance Company	MA	IA	Global Atlantic (Fin) Company	Ownership	21.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
3891	Goldman Sachs Grp	84824	04-6145677	3958278	1086664		Commonwealth Annuity and Life Insurance Company	MA	IA	Forethought Services, LLC	Ownership	79.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
3891	Goldman Sachs Grp	62200	95-2496321				Accordia Life and Annuity Company	IA	IA	Commonwealth Annuity and Life Insurance Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	46-3694412				Gotham Issuer, LLC	DE	IA	Global Atlantic (Fin) Company	Ownership	10.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	46-3694412				Gotham Issuer, LLC	DE	IA	Accordia Life and Annuity Company	Ownership	90.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
3891	Goldman Sachs Grp	15333	46-3455515				Gotham Re, Inc.	VT	IA	Accordia Life and Annuity Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	95-2496321				Tapioca View, LLC	DE	IA	Accordia Life and Annuity Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
3891	Goldman Sachs Grp	15475	46-3465867				Cape Verity I, Inc.	IA	IA	Accordia Life and Annuity Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
3891	Goldman Sachs Grp	15472	46-3475073				Cape Verity II, Inc.	IA	IA	Accordia Life and Annuity Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
3891	Goldman Sachs Grp	15473	46-3485456				Cape Verity III, Inc.	IA	RE	Accordia Life and Annuity Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	20-0628947				Forethought Financial Group, Inc	DE	NIA	Global Atlantic (Fin) Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	26-1505996				Forethought Capital Funding, Inc	DE	IA	Forethought Financial Group, Inc	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	35-1960899				Global Atlantic Investment Advisors, LLC	IN	IA	Forethought Financial Group, Inc	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	20-3944031				Global Atlantic Distributors, LLC	DE	IA	Forethought Financial Group, Inc	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	35-1642997				Forethought Services, LLC	DE	IA	Forethought Financial Group, Inc	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		.00000	35-1815415				ForeLife Agency, Inc	IN	IA	Forethought Services, LLC	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

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)	*
..3891	Goldman Sachs Grp	..91642	06-1016329				Forethought Life Insurance Company	..IN	..IA	Commonwealth Annuity and Life Insurance Company	Ownership	95.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
..3891	Goldman Sachs Grp	..91642	06-1016329				Forethought Life Insurance Company	..IN	..IA	Forethought Services, LLC	Ownership	5.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
..3891	Goldman Sachs Grp	..77127	75-2140035				Forethought National Life Insurance Company	..TX	..IA	Forethought Services, LLC	Ownership	5.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
..3891	Goldman Sachs Grp	..77127	75-2140035				Forethought National Life Insurance Company	..TX	..IA	Commonwealth Annuity and Life Insurance Company	Ownership	95.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		..00000	00-0000000				FLIC Properties, LLC	..IN	..IA	Forethought Life Insurance Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		..00000	27-0285309				Forethought Holdings, LLC	..IN	..IA	Forethought National Life Insurance Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		
		..00000	81-3323212				Global Atlantic Equipment Management, LLC	..DE	..NIA	Global Atlantic (Fin) Company	Ownership	100.000	GLOBAL ATLANTIC FINANCIAL GROUP LIMITED		

Asterisk	Explanation
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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
	98-1089764	Global Atlantic Financial Group Limited		(20,000,000)					*		(20,000,000)	
	80-0891249	Global Atlantic Financial Life Limited					(4,102,940)		*		(4,102,940)	
	38-3898658	Global Atlantic (Fin) Company	40,000,000	(372,112,942)			293,051,436		*	(5,905,625)	(44,967,131)	
	98-1090868	Commonwealth Re Midco Limited		20,000,000					*		20,000,000	
84824	04-6145677	Commonwealth Annuity & Life Ins. Co	50,000,000	(96,250,000)	78,442,001		(48,424,371)	(83,924,815)	*	(12,314,375)	(112,471,560)	4,319,587,810
	AA-3191237	Global Atlantic Re Limited					(16,611,934)	151,711,730	*		135,099,796	(5,138,270,573)
69140	04-1867050	First Allmerica Financial Life Insurance Co.		(75,000,000)	(63,349,083)		(34,852,364)	11,625,048	*		(161,576,399)	1,017,544,534
62200	95-2496321	Accordia Life and Annuity Company		66,000,000	(9,638,180)		2,228,818	14,801,128	*		73,391,766	4,550,452,552
	61-1704043	Ariel Re (Holdings) Limited							*			
	46-2625485	Global Atlantic Risk Services, LLC							*			
	13-3896700	Global Atlantic Risk Advisors, L.P.							*			
	13-3896487	GA Risk Advisors, Inc.							*			
	90-0928452	Global Atlantic Financial Company							*			
	46-3694412	Gotham Issuer, LLC							*			
15333	46-3455515	Gotham Re, Inc.		10,000,000	(16,614,493)			(11,633,267)	*		(18,247,760)	(380,940,941)
	95-2496321	Tapioca View, LLC					1,242,944		*		1,242,944	
15475	46-3465867	Cape Verity I, Inc.		20,000,000	16,369,512			(4,900,347)	*		31,469,165	(1,208,900,682)
15472	46-3475073	Cape Verity II, Inc.							*			(2,612,633,750)
15473	46-3485456	Cape Verity III, Inc.		4,000,000	(5,209,757)			(9,900,781)	*		(11,110,538)	(728,918,163)
	20-0628947	Forethought Financial Group, Inc	(32,545,000)	36,945,000			687,357		*		5,087,357	
	26-1505996	Forethought Capital Funding, Inc					(188,578)		*		(188,578)	
	35-1960899	Global Atlantic Investment Advisors, LLC					(27,450)		*		(27,450)	
	20-3944031	Global Atlantic Distributors, LLC		112,942			(29,587,069)		*		(29,474,127)	
	35-1642997	Forethought Services, LLC	32,545,000	(33,795,000)					*		(1,250,000)	
	35-1815415	ForeLife Agency, Inc							*			
91642	06-1016329	Forethought Life Insurance Company	(90,000,000)	440,000,000			(174,640,794)	(67,778,696)	*		107,580,510	182,079,213
77127	75-2140035	Forethought National Life Insurance Company					(2,808,688)		*		(2,808,688)	
	00-0000000	FLIC Properties, LLC					251,866		*		251,866	
	27-0285309	Forethought Holdings, LLC					3,733,737		*		3,733,737	
	13-3575636	Goldman Sachs Asset Management, L.P. (GSAM fees)					12,323,120		*	18,220,000	30,543,120	
	81-3323212	Global Atlantic Equipment Management, LLC		100,000			(2,275,090)		*		(2,175,090)	
9999999	Control Totals								XXX			

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

	<u>Responses</u>
MARCH FILING	
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	SEE EXPLANATION
3. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	YES
4. Will an actuarial opinion be filed by March 1?	YES
APRIL FILING	
5. Will Management's Discussion and Analysis be filed by April 1?	YES
6. Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1?	WAIVED
7. Will the Adjustment Form (if required) be filed with the state of domicile and the NAIC by April 1?	WAIVED
8. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	YES
JUNE FILING	
9. Will an audited financial report be filed by June 1?	YES
10. Will Accountant's Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	SEE EXPLANATION
AUGUST FILING	
11. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?	YES

The following supplemental reports are required to be filed as part of your annual 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.

MARCH FILING	
12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
14. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	NO
15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 to Exhibit 5 be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16. Will the actuarial opinion on non-guaranteed elements as required in interrogatory #3 to Exhibit 5 be filed with the state of domicile and electronically with the NAIC by March 1?	YES
17. Will the actuarial opinion on X-Factors be filed with the state of domicile and electronically with the NAIC by March 1?	YES
18. Will the actuarial opinion on Separate Accounts Funding Guaranteed Minimum Benefit be filed with the state of domicile and electronically with the NAIC by March 1?	NO
19. Will the actuarial opinion on Synthetic Guaranteed Investment Contracts be filed with the state of domicile and electronically with the NAIC by March 1?	NO
20. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC by March 1?	NO
21. 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 by March 1?	NO
22. 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 by March 1?	NO
23. 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 by March 1?	NO
24. 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 by March 1?	YES
25. Will the C-3 RBC Certifications required under C-3 Phase I be filed with the state of domicile and electronically with the NAIC by March 1?	NO
26. Will the C-3 RBC Certifications required under C-3 Phase II be filed with the state of domicile and electronically with the NAIC by March 1?	NO

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

- 27. Will the Actuarial Certifications Related to Annuity Nonforfeiture Ongoing Compliance for Equity Indexed Annuities be filed with the state of domicile and electronically with the NAIC by March 1? NO
- 28. Will the actuarial opinion required by the Modified Guaranteed Annuity Model Regulation be filed with the state of domicile and electronically with the NAIC by March 1? NO
- 29. Will the Actuarial Certifications Related to Hedging required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1? NO
- 30. Will the Financial Officer Certification Related to Clearly Defined Hedging Strategy required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1? NO
- 31. Will the Management Certification That the Valuation Reflects Management's Intent required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1? NO
- 32. Will the Actuarial Certification Related to the Reserves required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1? NO
- 33. Will the Actuarial Certification regarding the use of 2001 Preferred Class Tables required by the Model Regulation Permitting the Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities be filed with the state of domicile and electronically with the NAIC by March 1? YES
- 34. Will the Worker's Compensation Carve-Out Supplement be filed by March 1? NO
- 35. Will Supplemental Schedule O be filed with the state of domicile and the NAIC by March 1? NO
- 36. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? NO
- 37. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? NO
- 38. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? NO
- 39. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? NO
- 40. Will the confidential Regulatory Asset Adequacy Issues Summary (RAAIS) required by Actuarial Opinion and Memorandum Regulation (Model 822), Section 7A(5) be filed with the state of domicile by March 15? YES

APRIL FILING

- 41. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? NO
- 42. Will the Interest-Sensitive Life Insurance Products Report Forms be filed with the state of domicile and the NAIC by April 1? YES
- 43. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1? NO
- 44. Will the Accident and Health Policy Experience Exhibit be filed by April 1? NO
- 45. Will the Analysis of Annuity Operations by Lines of Business be filed with the state of domicile and the NAIC by April 1? NO
- 46. Will the Analysis of Increase in Annuity Reserves During the Year be filed with the state of domicile and the NAIC by April 1? NO
- 47. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? NO
- 48. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1? NO
- 49. Will the confidential Actuarial Memorandum required by Actuarial Guideline XXXVIII 8D be filed with the state of domicile by April 30? NO
- 50. Will the Supplemental XXX/AXXX Reinsurance Exhibit be filed with the state of domicile and the NAIC by April 1? YES

AUGUST FILING

- 51. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? YES

Explanations:

- 2. The Company is not required to file with the NAIC
- 10. The Company is not required to file with the NAIC
- 12. The Company has only one shareholder
- 13. The Company has no Medicare Supplement Insurance Business
- 14. The Company has no trustee surplus
- 15. The Company has no participating business
- 18. The Company has no Separate Accounts Funding Guaranteed Minimum Benefit
- 19. The Company has no Synthetic GTIC contracts
- 20. The Reasonableness and Consistency of Assumption Certificate will be filed
- 21. The Company has no indexed annuity contracts
- 22. The Reasonableness and Consistency of Assumption Certificate (updated Market Value) will be filed
- 23. The Reasonableness and Consistency of Assumption Certificate (updated Market Value) will be filed
- 25. The Company is not required to file this form
- 26. The Company is not required to file this form
- 27. The Company has no participating business
- 28. The Company has no Modified Guarantee Annuities
- 29. Not applicable to variable business in force
- 30. Not applicable to variable business in force
- 31. The Company has no variable contracts
- 32. The Company has no variable contracts
- 34. The Company has no Workers Compensation business
- 35. The Company has no Accident and Health business
- 36. The Company has no Medicare Part D coverage business
- 37. Audit partner has not exceeded five years
- 38. There are no employees currently in cooling off periods
- 39. The Company is not seeking relief from these requirements
- 41. The Company has no Long-Term business
- 43. The Company has no Accident and Health business
- 44. The Company has no annuity business
- 45. The Company has no annuity business
- 46. The Company has no health business
- 47. The Company has no health business
- 48. The Company has no health business
- 49. The Company is exempt from the requirements of Section 8D of AG38

Bar Codes:

6. Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit [Document Identifier 290]



7. Adjustment Form [Document Identifier 300]



12. SIS Stockholder Information Supplement [Document Identifier 420]



13. Medicare Supplement Insurance Experience Exhibit [Document Identifier 360]




14. Trustee Surplus Statement [Document Identifier 490]



15. Participating Opinion for Exhibit 5 [Document Identifier 371]



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

18. Actuarial Opinion on Separate Accounts Funding Guaranteed Minimum Benefit [Document Identifier 443]	 1 5 4 7 3 2 0 1 6 4 4 3 0 0 0 0 0
19. Actuarial Opinion on Synthetic Guaranteed Investment Contracts [Document Identifier 444]	 1 5 4 7 3 2 0 1 6 4 4 4 0 0 0 0 0
20. Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 445]	 1 5 4 7 3 2 0 1 6 4 4 5 0 0 0 0 0
21. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 446]	 1 5 4 7 3 2 0 1 6 4 4 6 0 0 0 0 0
22. Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI [Document Identifier 447]	 1 5 4 7 3 2 0 1 6 4 4 7 0 0 0 0 0
23. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI [Document Identifier 448]	 1 5 4 7 3 2 0 1 6 4 4 8 0 0 0 0 0
25. C-3 RBC Certifications Required Under C-3 Phase I [Document Identifier 450]	 1 5 4 7 3 2 0 1 6 4 5 0 0 0 0 0 0
26. C-3 RBC Certifications Required Under C-3 Phase II [Document Identifier 451]	 1 5 4 7 3 2 0 1 6 4 5 1 0 0 0 0 0
27. Actuarial Certifications Related to Annuity Nonforfeiture Ongoing Compliance for Equity Indexed Annuities [Document Identifier 452]	 1 5 4 7 3 2 0 1 6 4 5 2 0 0 0 0 0
28. Modified Guaranteed Annuity Model Regulation [Document Identifier 453]	 1 5 4 7 3 2 0 1 6 4 5 3 0 0 0 0 0
29. Actuarial Certifications Related to Hedging required by Actuarial Guideline XLIII [Document Identifier 436]	 1 5 4 7 3 2 0 1 6 4 3 6 0 0 0 0 0
30. Financial Officer Certification Related to Clearly Defined Hedging Strategy required by Actuarial Guideline XLIII [Document Identifier 437]	 1 5 4 7 3 2 0 1 6 4 3 7 0 0 0 0 0
31. Management Certification That the Valuation Reflects Management's Intent required by Actuarial Guideline XLIII [Document Identifier 438]	 1 5 4 7 3 2 0 1 6 4 3 8 0 0 0 0 0
32. Actuarial Certification Related to the Reserves required by Actuarial Guideline XLIII [Document Identifier 439]	 1 5 4 7 3 2 0 1 6 4 3 9 0 0 0 0 0
34. Workers' Compensation Carve-Out Supplement [Document Identifier 495]	 1 5 4 7 3 2 0 1 6 4 9 5 0 0 0 0 0
35. Supplemental Schedule O [Document Identifier 465]	 1 5 4 7 3 2 0 1 6 4 6 5 0 0 0 0 0
36. Medicare Part D Coverage Supplement [Document Identifier 365]	 1 5 4 7 3 2 0 1 6 3 6 5 0 0 0 0 0
37. Relief from the five-year rotation requirement for lead audit partner [Document Identifier 224]	 1 5 4 7 3 2 0 1 6 2 2 4 0 0 0 0 0
38. Relief from the one-year cooling off period for independent CPA [Document Identifier 225]	 1 5 4 7 3 2 0 1 6 2 2 5 0 0 0 0 0
39. Relief from the Requirements for Audit Committees [Document Identifier 226]	 1 5 4 7 3 2 0 1 6 2 2 6 0 0 0 0 0
41. Long-Term Care Experience Reporting Forms [Document Identifier 306]	 1 5 4 7 3 2 0 1 6 3 0 6 0 0 0 0 0
43. Credit Insurance Experience Exhibit [Document Identifier 230]	 1 5 4 7 3 2 0 1 6 2 3 0 0 0 0 0 0
44. Accident and Health Policy Experience Exhibit [Document Identifier 210]	 1 5 4 7 3 2 0 1 6 2 1 0 0 0 0 0 0
45. Analysis of Annuity Operations by Lines of Business [Document Identifier 510]	 1 5 4 7 3 2 0 1 6 5 1 0 0 0 0 0 0
46. Analysis of Increase in Annuity Reserves During the Year [Document Identifier 515]	 1 5 4 7 3 2 0 1 6 5 1 5 0 0 0 0 0
47. Supplemental Health Care Exhibit (Parts 1, 2 and 3) [Document Identifier 216]	 1 5 4 7 3 2 0 1 6 2 1 6 0 0 0 0 0
48. Supplemental Health Care Exhibit's Expense Allocation Report [Document Identifier 217]	 1 5 4 7 3 2 0 1 6 2 1 7 0 0 0 0 0
49. Actuarial Memorandum Required by Actuarial Guideline XXXVIII 8D [Document Identifier 435]	 1 5 4 7 3 2 0 1 6 4 3 5 0 0 0 0 0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities		0.000				0.000
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies		0.000				0.000
1.22 Issued by U.S. government sponsored agencies		0.000				0.000
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities)		0.000				0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S. :						
1.41 States, territories and possessions general obligations		0.000				0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000				0.000
1.43 Revenue and assessment obligations	1,796,957	7.076	1,796,957		1,796,957	7.076
1.44 Industrial development and similar obligations		0.000				0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA		0.000				0.000
1.512 Issued or guaranteed by FNMA and FHLMC		0.000				0.000
1.513 All other		0.000				0.000
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.000				0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521		0.000				0.000
1.523 All other		0.000				0.000
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	14,252,801	56.124	14,252,801		14,252,801	56.124
2.2 Unaffiliated non-U.S. securities (including Canada)	1,214,626	4.783	1,214,626		1,214,626	4.783
2.3 Affiliated securities		0.000				0.000
3. Equity interests:						
3.1 Investments in mutual funds		0.000				0.000
3.2 Preferred stocks:						
3.21 Affiliated		0.000				0.000
3.22 Unaffiliated		0.000				0.000
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.000				0.000
3.32 Unaffiliated		0.000				0.000
3.4 Other equity securities:						
3.41 Affiliated		0.000				0.000
3.42 Unaffiliated		0.000				0.000
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.000				0.000
3.52 Unaffiliated		0.000				0.000
4. Mortgage loans:						
4.1 Construction and land development		0.000				0.000
4.2 Agricultural		0.000				0.000
4.3 Single family residential properties		0.000				0.000
4.4 Multifamily residential properties		0.000				0.000
4.5 Commercial loans		0.000				0.000
4.6 Mezzanine real estate loans		0.000				0.000
5. Real estate investments:						
5.1 Property occupied by company		0.000				0.000
5.2 Property held for production of income (including \$ of property acquired in satisfaction of debt)		0.000				0.000
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)		0.000				0.000
6. Contract loans	3,613,667	14.230	3,613,667		3,613,667	14.230
7. Derivatives		0.000				0.000
8. Receivables for securities		0.000				0.000
9. Securities Lending (Line 10, Asset Page reinvested collateral)		0.000		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	4,517,256	17.788	4,517,256		4,517,256	17.788
11. Other invested assets		0.000				0.000
12. Total invested assets	25,395,306	100.000	25,395,307		25,395,307	100.000

Schedule A - Verification - Real Estate

NONE

Schedule B - Verification - Mortgage Loans

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.
SCHEDULE BA - VERIFICATION BETWEEN YEARS
 Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year	
2.	Cost of acquired:	
	2.1 Actual cost at time of acquisition (Part 2, Column 8)	
	2.2 Additional investment made after acquisition (Part 2, Column 9)	
3.	Capitalized deferred interest and other:	
	3.1 Totals, Part 1, Column 16	
	3.2 Totals, Part 3, Column 12	
4.	Accrual of discount	
5.	Unrealized valuation increase (decrease):	
	5.1 Totals, Part 1, Column 13	
	5.2 Totals, Part 3, Column 9	
6.	Total gain (loss) on disposals, Part 3, Column 19	
7.	Deduct amounts received on disposals, Part 3, Column 18	
8.	Deduct amortization of premium and depreciation	
9.	Total foreign exchange change in book/adjusted carrying value:	
	9.1 Totals, Part 1, Column 17	
	9.2 Totals, Part 3, Column 14	
10.	Deduct current year's other than temporary impairment recognized:	
	10.1 Totals, Part 1, Column 15	
	10.2 Totals, Part 3, Column 11	
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 BETWEEN YEARS
 Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year	20,613,090
2.	Cost of bonds and stocks acquired, Part 3, Column 7	8,949,132
3.	Accrual of discount	3,476
4.	Unrealized valuation increase (decrease):	
	4.1. Part 1, Column 12	
	4.2. Part 2, Section 1, Column 15	
	4.3. Part 2, Section 2, Column 13	
	4.4. Part 4, Column 11	
5.	Total gain (loss) on disposals, Part 4, Column 19	180,984
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7	12,351,208
7.	Deduct amortization of premium	131,089
8.	Total foreign exchange change in book/adjusted carrying value:	
	8.1. Part 1, Column 15	
	8.2. Part 2, Section 1, Column 19	
	8.3. Part 2, Section 2, Column 16	
	8.4. Part 4, Column 15	
9.	Deduct current year's other than temporary impairment recognized:	
	9.1. Part 1, Column 14	
	9.2. Part 2, Section 1, Column 17	
	9.3. Part 2, Section 2, Column 14	
	9.4. Part 4, Column 13	
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	17,264,385
11.	Deduct total nonadmitted amounts	
12.	Statement value at end of current period (Line 10 minus Line 11)	17,264,385

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States				
	2. Canada				
	3. Other Countries				
	4. Totals				
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals				
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals				
U.S. Special Revenue and Special Assessment Obligations and all Non- Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	7. Totals	1,796,956	1,999,644	1,808,121	1,610,000
Industrial and Miscellaneous, SVO Identified Funds and Hybrid Securities (unaffiliated)	8. United States	14,252,802	14,286,709	14,381,280	13,683,000
	9. Canada	364,872	345,611	364,318	375,000
	10. Other Countries	849,755	838,498	849,639	850,000
	11. Totals	15,467,429	15,470,818	15,595,237	14,908,000
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	17,264,385	17,470,462	17,403,358	16,518,000
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States				
	15. Canada				
	16. Other Countries				
	17. Totals				
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks				
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States				
	21. Canada				
	22. Other Countries				
	23. Totals				
Parent, Subsidiaries and Affiliates	24. Totals				
	25. Total Common Stocks				
	26. Total Stocks				
	27. Total Bonds and Stocks	17,264,385	17,470,462	17,403,358	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
1. U.S. Governments												
1.1 NAIC 1	4,517,256					XXX	4,517,256	20.7	2,296,659	10.9	4,517,256	
1.2 NAIC 2						XXX						
1.3 NAIC 3						XXX						
1.4 NAIC 4						XXX						
1.5 NAIC 5						XXX						
1.6 NAIC 6						XXX						
1.7 Totals	4,517,256					XXX	4,517,256	20.7	2,296,659	10.9	4,517,256	
2. All Other Governments												
2.1 NAIC 1						XXX						
2.2 NAIC 2						XXX						
2.3 NAIC 3						XXX						
2.4 NAIC 4						XXX						
2.5 NAIC 5						XXX						
2.6 NAIC 6						XXX						
2.7 Totals						XXX						
3. U.S. States, Territories and Possessions etc., Guaranteed												
3.1 NAIC 1						XXX						
3.2 NAIC 2						XXX						
3.3 NAIC 3						XXX						
3.4 NAIC 4						XXX						
3.5 NAIC 5						XXX						
3.6 NAIC 6						XXX						
3.7 Totals						XXX						
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed												
4.1 NAIC 1						XXX						
4.2 NAIC 2						XXX						
4.3 NAIC 3						XXX						
4.4 NAIC 4						XXX						
4.5 NAIC 5						XXX						
4.6 NAIC 6						XXX						
4.7 Totals						XXX						
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed												
5.1 NAIC 1				88,751	1,708,205	XXX	1,796,956	8.2	1,800,639	8.5	1,796,957	(1)
5.2 NAIC 2						XXX						
5.3 NAIC 3						XXX						
5.4 NAIC 4						XXX						
5.5 NAIC 5						XXX						
5.6 NAIC 6						XXX						
5.7 Totals				88,751	1,708,205	XXX	1,796,956	8.2	1,800,639	8.5	1,796,957	(1)

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
6. Industrial & Miscellaneous (Unaffiliated)												
6.1 NAIC 1		8,853,145	1,342,250	511,507	989,777	XXX	11,696,679	53.7	10,323,196	48.9	9,523,749	2,172,930
6.2 NAIC 2		609,488		313,538	2,503,117	XXX	3,426,143	15.7	5,987,124	28.3	3,426,143	
6.3 NAIC 3				344,605		XXX	344,605	1.6	711,399	3.4	344,605	
6.4 NAIC 4						XXX						
6.5 NAIC 5						XXX						
6.6 NAIC 6						XXX						
6.7 Totals		9,462,633	1,342,250	1,169,650	3,492,894	XXX	15,467,427	71.0	17,021,719	80.6	13,294,497	2,172,930
7. Hybrid Securities												
7.1 NAIC 1						XXX						
7.2 NAIC 2						XXX						
7.3 NAIC 3						XXX						
7.4 NAIC 4						XXX						
7.5 NAIC 5						XXX						
7.6 NAIC 6						XXX						
7.7 Totals						XXX						
8. Parent, Subsidiaries and Affiliates												
8.1 NAIC 1						XXX						
8.2 NAIC 2						XXX						
8.3 NAIC 3						XXX						
8.4 NAIC 4						XXX						
8.5 NAIC 5						XXX						
8.6 NAIC 6						XXX						
8.7 Totals						XXX						
9. SVO Identified Funds												
9.1 NAIC 1	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
9.2 NAIC 2	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
9.3 NAIC 3	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
9.4 NAIC 4	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
9.5 NAIC 5	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
9.6 NAIC 6	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
9.7 Totals	XXX	XXX	XXX	XXX	XXX				XXX	XXX		

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
10. Total Bonds Current Year												
10.1 NAIC 1	(d) 4,517,256	8,853,145	1,342,250	600,258	2,697,982		18,010,891	82.7	XXX	XXX	15,837,962	2,172,929
10.2 NAIC 2	(d)	609,488		313,538	2,503,117		3,426,143	15.7	XXX	XXX	3,426,143	
10.3 NAIC 3	(d)			344,605			344,605	1.6	XXX	XXX	344,605	
10.4 NAIC 4	(d)								XXX	XXX		
10.5 NAIC 5	(d)								XXX	XXX		
10.6 NAIC 6	(d)								XXX	XXX		
10.7 Totals	4,517,256	9,462,633	1,342,250	1,258,401	5,201,099		(b) 21,781,639	100.0	XXX	XXX	19,608,710	2,172,929
10.8 Line 10.7 as a % of Col. 7	20.7	43.4	6.2	5.8	23.9		100.0	XXX	XXX	XXX	90.0	10.0
11. Total Bonds Prior Year												
11.1 NAIC 1	2,802,586	7,086,662	1,570,328	586,690	2,374,228	XXX	XXX	XXX	14,420,494	68.3	11,943,973	2,476,521
11.2 NAIC 2		2,573,646	1,068,788	1,277,689	1,067,001	XXX	XXX	XXX	5,987,124	28.3	4,257,833	1,729,291
11.3 NAIC 3				346,705	364,694	XXX	XXX	XXX	711,399	3.4	711,399	
11.4 NAIC 4						XXX	XXX	XXX				
11.5 NAIC 5						XXX	XXX	XXX				
11.6 NAIC 6						XXX	XXX	XXX	(c)	(c)		
11.7 Totals	2,802,586	9,660,308	2,639,116	2,211,084	3,805,923	XXX	XXX	XXX	(b) 21,119,017	100.0	16,913,205	4,205,812
11.8 Line 11.7 as a % of Col. 9	13.3	45.7	12.5	10.5	18.0	XXX	XXX	XXX	100.0	XXX	80.1	19.9
12. Total Publicly Traded Bonds												
12.1 NAIC 1	4,517,256	6,894,683	1,342,250	385,790	2,697,983		15,837,962	72.7	11,943,973	56.6	15,837,962	XXX
12.2 NAIC 2		609,488		313,538	2,503,117		3,426,143	15.7	4,257,833	20.2	3,426,143	XXX
12.3 NAIC 3				344,605			344,605	1.6	711,399	3.4	344,605	XXX
12.4 NAIC 4												XXX
12.5 NAIC 5												XXX
12.6 NAIC 6												XXX
12.7 Totals	4,517,256	7,504,171	1,342,250	1,043,933	5,201,100		19,608,710	90.0	16,913,205	80.1	19,608,710	XXX
12.8 Line 12.7 as a % of Col. 7	23.0	38.3	6.8	5.3	26.5		100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10	20.7	34.5	6.2	4.8	23.9		90.0	XXX	XXX	XXX	90.0	XXX
13. Total Privately Placed Bonds												
13.1 NAIC 1		1,958,462		214,468	(1)		2,172,929	10.0	2,476,521	11.7	XXX	2,172,929
13.2 NAIC 2									1,729,291	8.2	XXX	
13.3 NAIC 3											XXX	
13.4 NAIC 4											XXX	
13.5 NAIC 5											XXX	
13.6 NAIC 6											XXX	
13.7 Totals		1,958,462		214,468	(1)		2,172,929	10.0	4,205,812	19.9	XXX	2,172,929
13.8 Line 13.7 as a % of Col. 7		90.1		9.9	0.0		100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10		9.0		1.0	0.0		10.0	XXX	XXX	XXX	XXX	10.0

(a) Includes \$ 2,172,929 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ current year, \$ prior year of bonds with Z designations and \$, current year \$ prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes \$ current year, \$ prior year of bonds with 5* designations and \$, current year \$ prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the (SVO) in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 4,517,256 ; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.6	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
1. U.S. Governments												
1.1 Issuer Obligations	4,517,256					XXX	4,517,256	20.7	2,296,659	10.9	4,517,256	
1.2 Residential Mortgage-Backed Securities						XXX						
1.3 Commercial Mortgage-Backed Securities						XXX						
1.4 Other Loan-Backed and Structured Securities						XXX						
1.5 Totals	4,517,256					XXX	4,517,256	20.7	2,296,659	10.9	4,517,256	
2. All Other Governments												
2.1 Issuer Obligations						XXX						
2.2 Residential Mortgage-Backed Securities						XXX						
2.3 Commercial Mortgage-Backed Securities						XXX						
2.4 Other Loan-Backed and Structured Securities						XXX						
2.5 Totals						XXX						
3. U.S. States, Territories and Possessions, Guaranteed												
3.1 Issuer Obligations						XXX						
3.2 Residential Mortgage-Backed Securities						XXX						
3.3 Commercial Mortgage-Backed Securities						XXX						
3.4 Other Loan-Backed and Structured Securities						XXX						
3.5 Totals						XXX						
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed												
4.1 Issuer Obligations						XXX						
4.2 Residential Mortgage-Backed Securities						XXX						
4.3 Commercial Mortgage-Backed Securities						XXX						
4.4 Other Loan-Backed and Structured Securities						XXX						
4.5 Totals						XXX						
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed												
5.1 Issuer Obligations				88,751	1,708,205	XXX	1,796,956	8.2	1,800,639	8.5	1,796,957	(1)
5.2 Residential Mortgage-Backed Securities						XXX						
5.3 Commercial Mortgage-Backed Securities						XXX						
5.4 Other Loan-Backed and Structured Securities						XXX						
5.5 Totals				88,751	1,708,205	XXX	1,796,956	8.2	1,800,639	8.5	1,796,957	(1)
6. Industrial and Miscellaneous												
6.1 Issuer Obligations		9,462,633	1,342,250	1,169,651	3,492,894	XXX	15,467,428	71.0	17,021,719	80.6	13,294,498	2,172,930
6.2 Residential Mortgage-Backed Securities						XXX						
6.3 Commercial Mortgage-Backed Securities						XXX						
6.4 Other Loan-Backed and Structured Securities						XXX						
6.5 Totals		9,462,633	1,342,250	1,169,651	3,492,894	XXX	15,467,428	71.0	17,021,719	80.6	13,294,498	2,172,930
7. Hybrid Securities												
7.1 Issuer Obligations						XXX						
7.2 Residential Mortgage-Backed Securities						XXX						
7.3 Commercial Mortgage-Backed Securities						XXX						
7.4 Other Loan-Backed and Structured Securities						XXX						
7.5 Totals						XXX						
8. Parent, Subsidiaries and Affiliates												
8.1 Issuer Obligations						XXX						
8.2 Residential Mortgage-Backed Securities						XXX						
8.3 Commercial Mortgage-Backed Securities						XXX						
8.4 Other Loan-Backed and Structured Securities						XXX						
8.5 Totals						XXX						

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.6	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
9. SVO Identified Funds												
9.1 Exchange Traded Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
9.2 Bond Mutual Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
9.3 Totals	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
10. Total Bonds Current Year												
10.1 Issuer Obligations	4,517,256	9,462,633	1,342,250	1,258,402	5,201,099	XXX	21,781,640	100.0	XXX	XXX	19,608,711	2,172,929
10.2 Residential Mortgage-Backed Securities						XXX			XXX	XXX		
10.3 Commercial Mortgage-Backed Securities						XXX			XXX	XXX		
10.4 Other Loan-Backed and Structured Securities						XXX			XXX	XXX		
10.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
10.6 Totals	4,517,256	9,462,633	1,342,250	1,258,402	5,201,099		21,781,640	100.0	XXX	XXX	19,608,711	2,172,929
10.7 Line 10.6 as a % of Col. 7	20.7	43.4	6.2	5.8	23.9		100.0	XXX	XXX	XXX	90.0	10.0
11. Total Bonds Prior Year												
11.1 Issuer Obligations	2,802,586	9,660,308	2,639,116	2,211,084	3,805,923	XXX			21,119,017	100.0	16,913,206	4,205,811
11.2 Residential Mortgage-Backed Securities						XXX			XXX	XXX		
11.3 Commercial Mortgage-Backed Securities						XXX			XXX	XXX		
11.4 Other Loan-Backed and Structured Securities						XXX			XXX	XXX		
11.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX				XXX	XXX	XXX	XXX
11.6 Totals	2,802,586	9,660,308	2,639,116	2,211,084	3,805,923	XXX			21,119,017	100.0	16,913,206	4,205,811
11.7 Line 11.6 as a % of Col. 9	13.3	45.7	12.5	10.5	18.0	XXX			100.0	XXX	80.1	19.9
12. Total Publicly Traded Bonds												
12.1 Issuer Obligations	4,517,256	7,504,171	1,342,250	1,043,933	5,201,100	XXX	19,608,710	90.0	16,913,206	80.1	19,608,710	XXX
12.2 Residential Mortgage-Backed Securities						XXX						XXX
12.3 Commercial Mortgage-Backed Securities						XXX						XXX
12.4 Other Loan-Backed and Structured Securities						XXX						XXX
12.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX				XXX	XXX		XXX
12.6 Totals	4,517,256	7,504,171	1,342,250	1,043,933	5,201,100		19,608,710	90.0	16,913,206	80.1	19,608,710	XXX
12.7 Line 12.6 as a % of Col. 7	23.0	38.3	6.8	5.3	26.5		100.0	XXX	XXX	XXX	100.0	XXX
12.8 Line 12.6 as a % of Line 10.6, Col. 7, Section 10	20.7	34.5	6.2	4.8	23.9		90.0	XXX	XXX	XXX	90.0	XXX
13. Total Privately Placed Bonds												
13.1 Issuer Obligations		1,958,462		214,469	(1)	XXX	2,172,930	10.0	4,205,811	19.9	XXX	2,172,930
13.2 Residential Mortgage-Backed Securities						XXX					XXX	
13.3 Commercial Mortgage-Backed Securities						XXX					XXX	
13.4 Other Loan-Backed and Structured Securities						XXX					XXX	
13.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX				XXX	XXX	XXX	XXX
13.6 Totals		1,958,462		214,469	(1)		2,172,930	10.0	4,205,811	19.9	XXX	2,172,930
13.7 Line 13.6 as a % of Col. 7		90.1		9.9	0.0		100.0	XXX	XXX	XXX	XXX	100.0
13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10		9.0		1.0	0.0		10.0	XXX	XXX	XXX	XXX	10.0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.
SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	505,927	505,927			
2. Cost of short-term investments acquired	32,877,429	32,877,429			
3. Accrual of discount	25,065	25,065			
4. Unrealized valuation increase (decrease)					
5. Total gain (loss) on disposals	49	49			
6. Deduct consideration received on disposals	28,891,214	28,891,214			
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)	4,517,256	4,517,256			
11. Deduct total nonadmitted amounts					
12. Statement value at end of current period (Line 10 minus Line 11)	4,517,256	4,517,256			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

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 - Verification - Cash Equivalents

NONE

Schedule A - Part 1 - Real Estate Owned

NONE

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

NONE

Schedule A - Part 3 - Real Estate Disposed

NONE

Schedule B - Part 1 - Mortgage Loans Owned

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 1 - Other Long-Term Invested Assets Owned

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

N O N E

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes 4 5 F o r e i g n B o n d C h a r			6 NAIC Des.	7 Actual Cost	8 Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	12 Change in Book/Adjusted Carrying Value				13 Interest				14 Dates					
		3	4	5			9 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/(Decrease)	13 Current Year's (Amor-tization) Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in Book/ Adjusted Carrying Value	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Stated Contractual Maturity Date			
0599999. Total - U.S. Government Bonds								XXX								XXX	XXX	XXX			XXX	XXX		
1099999. Total - All Other Government Bonds								XXX								XXX	XXX	XXX			XXX	XXX		
1799999. Total - U.S. States, Territories and Possessions Bonds								XXX								XXX	XXX	XXX			XXX	XXX		
2499999. Total - U.S. Political Subdivisions Bonds								XXX								XXX	XXX	XXX			XXX	XXX		
913366-DF-4	UNIVERSITY CALIF REGTS MED CTR MUNI BND			4	1FE	327,796	130,0240	364,067	280,000	324,799		(977)		6,583	5,361	MM		2,355	18,432	09/30/2013	05/15/2049			
California Total								327,796	364,067	280,000	324,799		(977)		6,583	5,361	MM		2,355	18,432	09/30/2013	05/15/2049		
646136-XR-7	NEW JERSEY ST TRANSN TR FD AUT MUNI BND				1FE	242,325	109,5350	230,024	210,000	240,489		(606)		6,561	5,467	JD		612	13,778	09/30/2013	12/15/2040			
New Jersey Total								242,325	230,024	210,000	240,489		(606)		6,561	5,467	JD		612	13,778	09/30/2013	12/15/2040		
64972F-K8-8	NEW YORK NY CITY MUN WTR FIN MUNI BND RE			4	1FE	636,854	128,9200	721,952	560,000	632,647		(1,383)		5,952	5,042	JD		33,331		09/30/2013	06/15/2042			
New York Total								636,854	721,952	560,000	632,647		(1,383)		5,952	5,042	JD		33,331		09/30/2013	06/15/2042		
02765U-CR-3	AMERICAN MUN PWR-OHIO INC AMERICAN MUN P				1FE	290,906	118,5470	331,932	280,000	290,414		(168)		6,053	5,775	FA		6,403	16,948	09/30/2013	02/15/2043			
Ohio Total								290,906	331,932	280,000	290,414		(168)		6,053	5,775	FA		6,403	16,948	09/30/2013	02/15/2043		
93976A-AH-5	WASHINGTON ST CONV CENTER PUBL MUNI TAX B			4	1FE	310,240	125,5960	351,669	280,000	308,607		(547)		6,790	5,975	JJ		9,506	19,012	09/30/2013	07/01/2040			
Washington Total								310,240	351,669	280,000	308,607		(547)		6,790	5,975	JJ		9,506	19,012	09/30/2013	07/01/2040		
United States Total								1,808,121	1,999,644	1,610,000	1,796,956		(3,681)		20,357	101,501	XXX	XXX	XXX		20,357	101,501	XXX	XXX
2599999. Subtotal - Bonds - U.S. Special Revenues - Issuer Obligations								1,808,121	1,999,644	1,610,000	1,796,956		(3,681)		20,357	101,501	XXX	XXX	XXX		20,357	101,501	XXX	XXX
3199999. Total - U.S. Special Revenues Bonds								1,808,121	1,999,644	1,610,000	1,796,956		(3,681)		20,357	101,501	XXX	XXX	XXX		20,357	101,501	XXX	XXX
002824-AZ-3	ABBOTT LABORATORIES SENIOR CORP BND				1FE	326,713	98,9840	321,698	325,000	326,127		(338)		2,000	1,888	MS		6,500		03/27/2015	03/15/2020			
025816-BD-0	AMERICAN EXPRESS COMPANY SENIOR CORP BND				1FE	750,143	98,4620	738,465	750,000	750,124		(18)		2,650	2,647	JD		1,601	19,875	04/02/2015	12/02/2022			
035242-AN-6	AMHEUSER-BUSCH INBEV FINANCE I SENIOR CO			1	1FE	343,452	108,0870	324,261	300,000	343,058		(394)		4,900	4,048	FA		6,125	7,596	06/23/2016	02/01/2046			
037833-AK-6	APPLE INC CORP BND				1FE	271,308	97,3720	292,116	300,000	279,535		2,825		2,400	3,614	MM		1,160	7,200	12/20/2013	05/03/2023			
05531F-AS-2	BB&T CORP SENIOR CORP BND			2	1FE	304,716	100,7840	302,352	300,000	303,016		(984)		2,450	2,096	JJ		3,389	7,350	03/27/2015	01/15/2020			
06051G-FG-9	BANK OF AMERICA CORP SENIOR CORP BND MTN				2FE	2,140,198	108,5070	2,170,140	2,000,000	2,138,245		(1,953)		4,875	4,435	AO		24,375	97,500	03/29/2016	04/01/2044			
07274E-AD-5	BAYER US FINANCE LLC SENIOR CORP BND 144				1FE	509,535	100,1770	500,885	500,000	506,307		(2,103)		2,375	1,925	AO		2,738	11,875	04/23/2015	10/08/2019			
14912L-6F-3	CATERPILLAR INC UNSEC CORP BND				1FE	762,570	100,4080	753,060	750,000	758,011		(2,648)		2,250	1,872	JD		1,406	16,875	03/31/2015	12/01/2019			
20271R-AH-3	COMMONWEALTH BANK OF AUSTRALIA SENIOR CO				1FE	761,400	100,2990	752,243	750,000	757,037		(2,534)		2,300	1,939	MS		5,510	17,250	03/31/2015	09/06/2019			
233851-BR-4	DAIMLER FINANCE NORTH AMERICA SENIOR COR				1FE	604,038	99,5400	597,240	600,000	602,671		(807)		2,250	2,104	MS		4,463	13,500	04/09/2015	03/02/2020			
24422E-QV-4	JOHN DEERE CAPITAL CORP SENIOR CORP BND				1FE	742,963	106,7840	694,096	650,000	696,450		(26,933)		5,750	1,457	MS		11,732	37,375	03/31/2015	09/10/2018			
260003-AG-3	DOVER CORP CORP BND				1FE	250,091	131,3980	262,796	200,000	246,299		(1,230)		6,600	4,842	MS		3,887	13,200	09/30/2013	03/15/2038			
36962G-SJ-9	GENERAL ELECTRIC CO SENIOR CORP BND				1FE	573,575	109,6940	548,470	500,000	564,384		(9,191)		4,650	1,832	AO		4,779	23,250	04/07/2016	10/17/2021			
46625H-NX-4	JPMORGAN CHASE & CO SENIOR CORP BND			2	1FE	508,195	99,9260	499,630	500,000	506,930		(1,265)		2,550	2,163	AO		2,196	12,750	04/07/2016	10/29/2020			
49327M-2F-0	KEY BANK NATIONAL ASSOCIATION SENIOR COR				1FE	562,265	101,0420	555,731	550,000	557,901		(2,570)		2,500	1,997	JD		611	13,750	04/09/2015	12/15/2019			
532457-BF-4	ELI LILLY AND COMPANY SENIOR CORP BND				1FE	762,698	100,6210	754,658	750,000	757,197		(3,186)		1,950	1,506	MS		4,306	14,625	03/31/2015	03/15/2019			
534187-AR-0	LINCOLN NATIONAL CORPORATION CORP BND				2FE	316,605	117,2170	328,208	280,000	313,538		(998)		6,150	5,161	AO		4,018	17,220	09/30/2013	04/07/2036			
58933Y-AA-3	MERCK & CO INC SENIOR CORP BND			1	1FE	326,739	106,1210	318,363	300,000	318,639		(4,670)		3,875	2,159	JJ		5,360	11,625	03/27/2015	01/15/2021			
594457-BT-9	DTE GAS CO CORP BND				1FE	299,064	118,6040	332,091	280,000	297,039		(661)		5,700	5,142	MS		4,699	15,960	09/30/2013	03/15/2033			
61761J-B3-2	MORGAN STANLEY SENIOR CORP BND				1FE	511,340	100,8180	504,090	500,000	509,468		(1,872)		2,800	2,228	JD		583	14,000	04/07/2016	06/16/2020			
74752S-AE-3	QUALCOMM INCORPORATED SENIOR CORP BND				1FE	314,163	101,3290	303,987	300,000	312,592		(1,571)		3,000	2,170	MM		1,025	9,000	04/07/2016	05/20/2022			
842400-RR-9	SOUTHERN CALIFORNIA EDISON CO. SECURED C			1	1FE	549,270	105,8360	529,180	500,000	535,424		(8,053)		3,875	2,091	JD		1,615	19,375	04/01/2015	06/01/2021			
87165B-AB-9	SYNCHRONY FINANCIAL SENIOR CORP BND			1	2FE	615,606	101,2960	607,776	600,000	609,488		(3,583)		3,000	2,355	FA		6,800	18,000	04/07/2015	08/15/2019			
90521A-PJ-1	MUFJ UNION BANK NA SENIOR CORP BND			2	1FE	308,325	101,0930	303,279	300,000	304,099		(2,431)		2,625	1,780	MS		2,078	7,875	03/27/2015	09/26/2018			
94974B-GQ-7	WELLS FARGO & COMPANY SUB CORP BND				1FE	400,420	102,7120	410,848	400,000	400,420				4,900	4,893	MM		2,396	19,600	12/14/2015	11/17/2045			
957576-AA-9	WESTERN SOUTHERN WESTERN & SOUTHERN FINA				1FE	214,943	111,0890	233,287	210,000	214,468		(162)		5,750	5,552	JJ		5,568	12,075	09/30/2013	07/15/2033			
969457-BM-1	WILLIAMS COS INC CORP BND				3FE	350,947	120,7500	347,760	288,000	344,605		(2,100)		8,750	6,673	MS		7,420	25,200	09/30/2013	03/15/2032			
89346D-AE-7	TRANSALTA CORP CORP BND			A	2FE	364,318	92,1630	345,611	375,000	364,872		178		6,500	6,732	MS		7,177	24,375	09/30/2013	03/15/2040			
60687Y-AB-5	MIZUHO FINANCIAL GROUP SENIOR CORP BND 1			D	1FE	300,000	98,9540	296,862	300,000	300,000				2,632	2,632	AO		1,733	3,948	04/05/2016	04/12/2021			
8672EM-AD-6	SUNCORP METWAY LTD SENIOR CORP BND 144A			D	1FE	549,637	98,4790	541,635	550,000	549,755		70		2,350	2,364	AO		2,298	12,925	04/21/2015	04/27/2020			
3299999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							15,595,237	XXX	15,470,818	14,908,000	15,467,429	(79,182)		XXX	XXX	XXX			132,962	531,648	XXX	XXX		
3899999. Total - Industrial and Miscellaneous (Unaffiliated) Bonds							15,595,237	XXX	15,470,818	14,908,000	15,467,429	(79,182)		XXX	XXX	XXX			132,962	531,648	XXX	XXX		
4899999. Total - Hybrid Securities								XXX						XXX	XXX	XXX					XXX	XXX		
5599999. Total - Parent, Subsidiaries and Affiliates Bonds								XXX						XXX	XXX	XXX					XXX	XXX		

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	C o d e	F o r e i g n	Bond Char	NAIC Des.	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization) Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
6099999	Subtotal - SVO Identified Funds						XXX								XXX	XXX	XXX			XXX	XXX
7799999	Total - Issuer Obligations					17,403,358	XXX	17,470,462	16,518,000	17,264,385		(82,863)			XXX	XXX	XXX	153,319	633,149	XXX	XXX
7899999	Total - Residential Mortgage-Backed Securities						XXX								XXX	XXX	XXX			XXX	XXX
7999999	Total - Commercial Mortgage-Backed Securities						XXX								XXX	XXX	XXX			XXX	XXX
8099999	Total - Other Loan-Backed and Structured Securities						XXX								XXX	XXX	XXX			XXX	XXX
8199999	Total - SVO Identified Funds						XXX								XXX	XXX	XXX			XXX	XXX
8399999	Total Bonds					17,403,358	XXX	17,470,462	16,518,000	17,264,385		(82,863)			XXX	XXX	XXX	153,319	633,149	XXX	XXX

Schedule D - Part 2 - Section 1 - Preferred Stocks Owned

N O N E

Schedule D - Part 2 - Section 2 - Common Stocks Owned

N O N E

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
035242-AN-6	ANHEUSER-BUSCH INBEV FINANCE 1 SENIOR CO		06/23/2016	DEUTSCHE BANK AG		343,454	300,000	6,248
060516-FG-9	BANK OF AMERICA CORP SENIOR CORP BND MTN		09/29/2016	ACCORDIA		2,140,198	2,000,000	48,208
369626-5J-9	GENERAL ELECTRIC CO SENIOR CORP BND		04/07/2016	MERRILL LYNCH & CO.		573,575	500,000	11,302
46625H-NX-4	JPMORGAN CHASE & CO SENIOR CORP BND		04/07/2016	MORGAN STANLEY CAPITAL SERVICE		508,195	500,000	5,773
61761J-B3-2	MORGAN STANLEY SENIOR CORP BND		04/07/2016	UBS WARBURG LLC		511,340	500,000	4,511
747525-AE-3	QUALCOMM INCORPORATED SENIOR CORP BND		04/07/2016	CITIGROUP GLOBAL MKT INC		314,163	300,000	3,550
60687Y-AB-5	MIZUHO FINANCIAL GROUP SENIOR CORP BND 1	D	04/05/2016	MIZUHO INTERNATIONAL PLC		300,000	300,000	
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						4,690,925	4,400,000	79,592
8399997. Total - Bonds - Part 3						4,690,925	4,400,000	79,592
8399998. Total - Bonds - Part 5						4,258,207	2,975,000	97,927
8399999. Total - Bonds						8,949,132	7,375,000	177,519
8999997. Total - Preferred Stocks - Part 3							XXX	
8999998. Total - Preferred Stocks - Part 5							XXX	
8999999. Total - Preferred Stocks							XXX	
9799997. Total - Common Stocks - Part 3							XXX	
9799998. Total - Common Stocks - Part 5							XXX	
9799999. Total - Common Stocks							XXX	
9899999. Total - Preferred and Common Stocks							XXX	
9999999 - Totals						8,949,132	XXX	177,519

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	
										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	Current Year's 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	
912796-FZ-7	UNITED STATES TREASURY BILL		.01/01/2016	VARIOUS		799,677	800,000	798,239	799,677						799,677						.03/03/2016
912796-HW-2	UNITED STATES TREASURY BILL		.01/01/2016	VARIOUS		498,878	500,000	498,752	498,878						498,878						.06/09/2016
912796-GW-3	UNITED STATES TREASURY BILL		.01/01/2016	VARIOUS		998,105	1,000,000	996,728	998,105						998,105						.07/21/2016
0599999	Subtotal - Bonds - U.S. Governments					2,296,660	2,300,000	2,293,719	2,296,660						2,296,660						XXX
0010EP-AF-5	AEP TEXAS CENTRAL CO CORP BND		.01/25/2016	MORGAN STANLEY CAPITAL SERVICE		340,164	280,000	318,367	315,705		(94)		(94)		315,610		24,553	24,553	8,431	.02/15/2033	
126408-BP-7	CSX CORPORATION CSX CORPORATION		.12/09/2016	ACCORDIA		363,440	280,000	338,528	331,379		(3,232)		(3,232)		328,147		35,293	35,293	22,443	.05/01/2027	
26884T-AN-2	ERAC USA FINANCE LLC SENIOR CORP BND 144		.06/22/2016	J.P. MORGAN SECURITIES INC		310,074	300,000	281,418	281,434		157		157		281,591		28,483	28,483	11,700	.02/15/2045	
402740-AB-0	GULFSTREAM NATURAL GAS SYSTEM CORP BND 1		.12/09/2016	ACCORDIA		317,498	280,000	324,350	317,785		(2,939)		(2,939)		314,846		2,652	2,652	19,161	.11/01/2025	
40414L-AH-2	HCP INC SENIOR CORP BND		.07/20/2016	WELLS FARGO SECURITIES		757,095	750,000	755,122	754,355		(616)		(616)		753,739		3,356	3,356	19,359	.02/01/2020	
485134-BH-2	KANSAS CITY POWER & LIGHT COMP KANSAS CI		.12/09/2016	ACCORDIA		332,228	280,000	310,602	308,848		(802)		(802)		308,046		24,183	24,183	18,069	.11/15/2035	
50540R-AM-4	LABORATORY CORP OF AMER HLDGS SENIOR COR		.12/09/2016	ACCORDIA		75,775	75,000	76,442	76,148		(374)		(374)		75,775				2,073	.11/01/2018	
761713-AX-4	REYNOLDS AMERICAN INC SENIOR CORP BND		.02/22/2016	TENDER OFFER		780,540	750,000	751,088	751,003		(19)		(19)		750,985		29,555	29,555	7,516	.11/01/2022	
887317-AL-9	TIME WARNER INC SENIOR CORP BND		.12/09/2016	ACCORDIA		287,043	250,000	281,600	281,580		(556)		(556)		281,024		6,018	6,018	18,663	.03/29/2041	
92343V-CK-8	VERIZON COMMUNICATIONS INC SENIOR CORP B		.12/09/2016	ACCORDIA		199,056	200,000	189,442	189,451		147		147		189,598		9,458	9,458	12,641	.08/21/2046	
928668-AK-8	VOLKSWAGEN GROUP OF AMERICA FI SENIOR CO		.12/09/2016	ACCORDIA		249,038	250,000	249,688	249,750		97		97		249,847		(809)	(809)	4,320	.05/22/2018	
012873-AK-1	ALBERTA ENERGY CO LTD SENIOR CORP BND	A	.05/05/2016	MORGAN STANLEY CAPITAL SERVICE		264,496	280,000	325,128	321,757		(579)		(579)		321,178		(56,682)	(56,682)	10,841	.11/01/2031	
064255-BL-5	BANK OF TOKYO-MITSUBISHI UFJ L SENIOR CO	D	.12/09/2016	ACCORDIA		598,410	600,000	600,774	600,589		(251)		(251)		600,338		(1,928)	(1,928)	12,863	.03/05/2018	
58608J-AB-4	MACQUARIE GROUP LTD SENIOR CORP BND 144A	D	.12/09/2016	ACCORDIA		843,233	750,000	905,018	880,322		(32,698)		(32,698)		847,625		(4,392)	(4,392)	75,615	.08/13/2019	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					5,718,090	5,325,000	5,707,567	5,660,106		(41,759)		(41,759)		5,618,349		99,740	99,740	243,695	XXX	
8399997	Total - Bonds - Part 4					8,014,750	7,625,000	8,001,286	7,956,766		(41,759)		(41,759)		7,915,009		99,740	99,740	243,695	XXX	
8399998	Total - Bonds - Part 5					4,336,458	2,975,000	4,258,207			(2,992)		(2,992)		4,255,214		81,244	81,244	112,292	XXX	
8399999	Total - Bonds					12,351,208	10,600,000	12,259,493	7,956,766		(44,751)		(44,751)		12,170,223		180,984	180,984	355,987	XXX	
8999997	Total - Preferred Stocks - Part 4						XXX														XXX
8999998	Total - Preferred Stocks - Part 5						XXX														XXX
8999999	Total - Preferred Stocks						XXX														XXX
9799997	Total - Common Stocks - Part 4						XXX														XXX
9799998	Total - Common Stocks - Part 5						XXX														XXX
9799999	Total - Common Stocks						XXX														XXX
9899999	Total - Preferred and Common Stocks						XXX														XXX
9999999	Totals					12,351,208	XXX	12,259,493	7,956,766		(44,751)		(44,751)		12,170,223		180,984	180,984	355,987	XXX	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE D - PART 5

Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stock)	9 Actual Cost	10 Consid- eration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends																		
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amort- ization)/ Accretion	14 Current Year's Other- Than- Temporary Impairment Recognized	15 Total Change in Book/ Adjusted Carrying Valu (12 + 13 - 14)	16 Total Foreign Exchange Change in Book/ Adjusted Carrying Value																							
13063A-5E-0	CALIFORNIA STATE OF MUNI BND GO		03/09/2016	ACCORDIA	03/31/2016	CITIGROUP GLOBAL MKT INC	1,575,000	2,254,345	2,307,816	2,252,561																												
13063A-5E-0	CALIFORNIA STATE OF MUNI BND GO		03/09/2016	ACCORDIA	03/29/2016	ACCORDIA	1,400,000	2,003,862	2,028,642	2,002,653					(1,783)	(1,209)	(1,783)	(1,209)																				
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions						2,975,000	4,258,207	4,336,458	4,255,214					(2,992)	(2,992)	(2,992)	(2,992)																				
8399998	Total - Bonds						2,975,000	4,258,207	4,336,458	4,255,214					(2,992)	(2,992)	(2,992)	(2,992)																				
8999998	Total - Preferred Stocks																																					
9799998	Total - Common Stocks																																					
9899999	Total - Preferred and Common Stocks																																					
9999999	Totals						4,258,207	4,258,207	4,336,458	4,255,214					(2,992)	(2,992)	(2,992)	(2,992)																				

Schedule D-Part 6-Section 1-Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

N O N E

Schedule D - Part 6 - Section 2

N O N E

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Cape Verity III, Inc.

SCHEDULE DA - PART 1

Showing All SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change in Book/Adjusted Carrying Value				13	14	Interest					21		
		3	4					9	10	11	12			15	16	17	18	19		20	
CUSIP Identi- fication	Description	Code	For- eign	Date Acquired	Name of Vendor	Maturity Date	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Other- Than- Temporary Impairment Recognized	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Par Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Non- Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest	
	UNITED STATES TREASURY TBILL CASH			10/07/2016	NESBITT THOMSON	03/30/2017	1,898,013		1,848			1,900,000	1,896,164			0.427	0.434	MAT			
	UNITED STATES TREASURY TBILL CASH			07/25/2016	NESBITT THOMSON	01/12/2017	1,999,758		3,493			2,000,000	1,996,265			0.396	0.402	MAT			
0199999	Subtotal - Bonds - U.S. Governments - Issuer Obligations							3,897,771		5,341			3,900,000	3,892,429			XXX	XXX	XXX		
0599999	Total - U.S. Government Bonds							3,897,771		5,341			3,900,000	3,892,429			XXX	XXX	XXX		
1099999	Total - All Other Government Bonds																XXX	XXX	XXX		
1799999	Total - U.S. States, Territories and Possessions Bonds																XXX	XXX	XXX		
2499999	Total - U.S. Political Subdivisions Bonds																XXX	XXX	XXX		
3199999	Total - U.S. Special Revenues Bonds																XXX	XXX	XXX		
3899999	Total - Industrial and Miscellaneous (Unaffiliated) Bonds																XXX	XXX	XXX		
4899999	Total - Hybrid Securities																XXX	XXX	XXX		
5599999	Total - Parent, Subsidiaries and Affiliates Bonds																XXX	XXX	XXX		
6099999	Subtotal - SVO Identified Funds																XXX	XXX	XXX		
7799999	Total - Issuer Obligations							3,897,771		5,341			3,900,000	3,892,429			XXX	XXX	XXX		
7899999	Total - Residential Mortgage-Backed Securities																XXX	XXX	XXX		
7999999	Total - Commercial Mortgage-Backed Securities																XXX	XXX	XXX		
8099999	Total - Other Loan-Backed and Structured Securities																XXX	XXX	XXX		
8199999	Total - SVO Identified Funds																XXX	XXX	XXX		
8399999	Total Bonds							3,897,771		5,341			3,900,000	3,892,429			XXX	XXX	XXX		
8699999	Total - Parent, Subsidiaries and Affiliates												XXX				XXX	XXX	XXX		
38141W-27-3	GOLDMAN SACHS GOVT FS			12/16/2016	Various		619,485						619,485					0.010		379	
8899999	Subtotal - Exempt Money Market Mutual Funds - as Identified by the SVO							619,485					XXX	619,485			XXX	XXX	XXX		379
9199999	Totals							4,517,256		5,341			XXX	4,511,914			XXX	XXX	XXX		379

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

NONE

Schedule DB - Part A - Section 2 - Options, Caps, Floors, Collars, Swaps and Forwards Terminated

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 B - Section 2 - Futures Contracts Terminated

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

Schedule E - Part 1 - Month End Depository Balances

NONE

Schedule E - Part 2 - Cash Equivalent Owned

NONE

Schedule E - Part 3 - Special Deposits

NONE