Jackson National Life Global Funding

U.S. $17,000,000,000

GLOBAL DEBT ISSUANCE PROGRAM

This supplement (this "***Second Base Prospectus Supplement***") is supplemental to and must be read in conjunction with the Offering Memorandum dated September 1, 2016 (the "***Base Prospectus***") and prior Base Prospectus Supplement, specifically, the First Base Prospectus Supplement dated November 21, 2016 (referred to herein as the "***Prior Base Prospectus Supplement***") prepared by Jackson National Life Global Funding (the "***Issuer***"), under the Issuer's Global Debt Issuance Program for the issuance of senior secured medium-term notes (the "***Notes***").

This Second Base Prospectus Supplement has been approved by the Central Bank of Ireland, as competent authority under the Directive 2003/71/EC (the "***Prospectus Directive***"). The Central Bank of Ireland only approves this Second Base Prospectus Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This document constitutes a base prospectus supplement for the purposes of Article 16 of the Prospectus Directive. References herein to this document are to this Second Base Prospectus Supplement incorporating Annex 1, Annex 2 and Annex 3, hereto.

Annex 1 of this Second Base Prospectus Supplement includes a description of certain recent developments (the "***Recent Developments***") related to the filing with the Michigan Office of Financial and Insurance Regulation by Jackson National Life Insurance Company ("***Jackson***") of its annual unaudited unconsolidated statutory financial statements as of and for the year ended December 31, 2016 (including any notes thereto, the "***2016 Statutory Financial Statements***").

Annex 2 of this Second Base Prospectus Supplement contains certain sections from the 2016 Statutory Financial Statements. Copies of the Recent Developments and the 2016 Statutory Financial Statements will be made available for inspection at the offices of the parties at whose offices documents are to be available for inspection as identified in "General Information" in the Base Prospectus.

Annex 3 of this Second Base Prospectus Supplement contains information concerning Jackson which has been made available as part of the Jackson March 14, 2017 press release.

Except as disclosed in this Second Base Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus and the Prior Base Prospectus Supplement.

Each of the Issuer and Jackson accepts responsibility for the information contained in this Second Base Prospectus Supplement. To the best of the knowledge of each of the Issuer and Jackson (having taken all reasonable care to ensure that such is the case) the information contained in this Second Base Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where there is any inconsistency among the Base Prospectus, the Prior Base Prospectus Supplement and this Second Base Prospectus Supplement, the language used in this Second Base Prospectus Supplement shall prevail.

Second Base Prospectus Supplement dated March 15, 2017

Annex 1

RECENT DEVELOPMENTS

Jackson National Life Insurance Company

Based on Statutory Annual Statement for the Year Ended December 31, 2016

PREMIUMS AND ANNUITY CONSIDERATIONS totaled $18,631.4 million for the year ended December 31, 2016, as compared to $23,650.6 million in 2015. This decrease is primarily attributable to Jackson's variable annuity product line, which experienced reduced sales due to the decline in L-Share, which Jackson stopped selling in July, elevated market volatility and the uncertainty related to the Department of Labor reforms. Elite Access premiums were $2,514.5 million for the year ended December 31, 2016, compared to $4,478.2 million in 2015. Fixed index annuity premiums received during the year totaled $688.6 million, compared to $700.0 million received in 2015. Sales of fixed annuities during the year totaled $731.8 million, compared to $708.7 million in 2015. Jackson sold $2,487.6 million of institutional products during 2016, compared to $1,880.3 million in 2015.

NET LOSS totaled $563.8 million for the year ended December 31, 2016, compared to net income of $627.0 million for the year ended December 31, 2015. This net loss was primarily due to higher realized losses on S&P futures in 2016, partially offset by a decrease in guaranteed benefit reserves.

CAPITAL AND SURPLUS was $4.92 billion at December 31, 2016, compared to $4.72 billion at December 31, 2015. The increase in capital and surplus was primarily due to an increase in net admitted deferred tax asset ($628.6 million), capital benefit of reinsurance transactions ($365.3 million), and an increase in unrealized gains ($184.7 million), partially offset by the net loss ($563.8 million) and dividend payment ($550.0 million).

At December 31, 2016, Jackson had Total Adjusted Capital of $5,307.4 million and Authorized Control Level Risk Based Capital of $546.8 million.

TOTAL ADMITTED ASSETS increased to $204.8 billion at December 31, 2016, from $189.1 billion at December 31, 2015. This increase was primarily attributable to continued positive net flows on separate account assets.

As described in **Business of Jackson**, the Company received approval from the Department of Insurance and Financial Services regarding the use of a permitted practice which allows the Company to report the effectiveness of its hedging program related to certain interest rate swaps consistent with the system the Company has adopted in accordance with Section 943 (2) of the Michigan Insurance Code, as opposed to SSAP No. 86 – *Accounting for Derivative Instruments and Hedging Activities*. As a result, hedging transactions thus identified as effective are reported pursuant to the accounting guidance set forth in NAIC SSAP No. 86. The effect of this permitted practice, reflected as special surplus funds, was to decrease capital and surplus by $599.6 million ($413.0 million after tax) at December 31, 2016 and $547.0 million ($355.5 million after tax) at December 31, 2015, with no effect on net income.

As described in Note 10 in the Statutory Annual Statement, Jackson executed two reinsurance transactions in December 2016, which combined to increase capital and surplus by $365.3 million.

Effective December 30, 2016, Jackson executed a reserve financing transaction with a captive subsidiary. The effect of the transaction is that Jackson transferred the risk on $319.1 million of redundant term reserves to an independent third party.

Effective December 31, 2016, Jackson amended its variable annuity ("VA") reinsurance agreement with its subsidiary, Jackson National Life Insurance Company of New York ("Jackson NY"). The purpose of the amendment is to transfer to Jackson 90% of the VA risk on the full contract for all VAs issued by Jackson NY for better alignment with risk mitigation strategies employed at the parent company level. Due to differences in VA reserve modeling between Jackson and Jackson NY, the transaction resulted in $46.2 million of income, net of tax, which was recorded directly to surplus.

Jackson's investment portfolio is broadly diversified with over 1,500 issuers. Below investment grade bonds totaled 2.3% and 2.4% of total cash and invested assets at December 31, 2016 and December 31, 2015, respectively. Jackson had gross unrealized gains of $2,395.0 million and gross unrealized losses of $626.6 million on its debt securities at December 31, 2016. Of the total carrying value of bonds in an unrealized loss position at December 31, 2016, 97% were investment grade. Unrealized losses on bonds that were below investment grade comprised 3% of the aggregate gross unrealized loss on debt securities. For Statutory reporting, Jackson's debt securities are generally reported at amortized cost, meaning the unrealized gains and losses are not reflected in income or capital and surplus. Impairment charges on fixed maturities totaled $56.1 million through December 31, 2016, compared to $59.5 million through December 31, 2015.

Annex 2

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LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

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

Jackson National Life Insurance Company

NAIC Group Code 0918 (Current) 0918 (Prior) NAIC Company Code 65056 Employer's ID Number 38-1659835

Organized under the Laws of Michigan, State of Domicile or Port of Entry MI

Country of Domicile United States of America

Incorporated/Organized 06/19/1961 Commenced Business 08/30/1961

Statutory Home Office 1 Corporate Way (Street and Number), Lansing , MI, US 48951 (City or Town, State, Country and Zip Code)

Main Administrative Office 1 Corporate Way (Street and Number)
Lansing , MI, US 48951 (City or Town, State, Country and Zip Code), 517-381-5500 (Area Code) (Telephone Number)

Mail Address 1 Corporate Way (Street and Number or P.O. Box), Lansing , MI, US 48951 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1 Corporate Way (Street and Number)
Lansing , MI, US 48951 (City or Town, State, Country and Zip Code), 517-381-5500 (Area Code) (Telephone Number)

Internet Website Address www.jackson.com

Statutory Statement Contact Michael Alan Costello (Name), 517-381-5500 (Area Code) (Telephone Number)
statjnlic@jackson.com (E-mail Address), 517-706-5522 (FAX Number)

OFFICERS

President	James Ronald Sopha	Treasurer	Michael Alan Costello
Secretary	Andrew John Bowden	Actuary	Marcia Lynn Wadsten

OTHER

Paul Chadwick Myers, Chief Financial Officer	Gregory Philip Cicotte, Executive Vice President	Savvas (Steve) Panagiotis Binioris, SVP
Julia Anne Goatley, SVP	Bradley Olan Harris, SVP	Thomas Paul Hyatte, SVP
Machelle Antoinette McAdory, SVP	Keith Richard Moore, SVP	Emilio Pardo #, SVP
Laura Louene Prieskorn, SVP	Kenneth Harold Stewart, SVP	Bonnie Gashlin Wasgatt, SVP
Michele Margaret Binkley, VP	Dennis Allen Blue, VP	Barrett Mark Bonemer, VP
Pamela Lynn Bottles, VP	David Lee Bowers, VP	David Andrew Collins, VP
Robert Harold Dearman Jr. #, VP	William Thomas Devanney Jr., VP	Charles Fox Field Jr., VP
Dana Rene Malesky Flegler, VP	Lisa Ilene Fox, VP	Devkumar Dilip Ganguly, VP
Guillermo Esteban Guerra, VP	Robert William Hajdu, VP	Laura Louise Hanson, VP
Robert LeRoy Hill, VP	Julie Ann Hughes #, VP	Matthew Timothy Irey, VP
Thomas Andrew Janda, VP	Scott Francis Klus, VP	Toni Lee Klus, VP
Richard Carl Liphardt, VP	Wayne Richard Longcore #, VP	Diahn Marie McHenry, VP
Ryan Tait Mellott #, VP	Dean Michael Miller, VP	Jacky Morin, VP
Dana Scamarcia Rapier, VP	Stacey Lynn Schabel, VP	James Aaron Schultz #, VP
William Robert Schulz, VP	Muhammad Sajid Shami, VP	Michael Dunstan Story #, VP
Heather Rachelle Strang, VP	Marion Cornelius Terrell II, VP	Brian Michael Walta #, VP

DIRECTORS OR TRUSTEES

Morten Nicolai Friis #	Bradley Olan Harris	Dennis James Manning (Chairman) #
Paul Chadwick Myers	James John Scanlan #	James Ronald Sopha
Barry Lee Stowe		

State of Michigan
County of Ingham SS:

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.

James R. Sopha	Andrew J. Bowden	Michael A. Costello
President	Secretary	Treasurer

Subscribed and sworn to before me this 24th day of February, 2017

Rhonda Phillips
Notary Public
10-Nov-17

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

RHONDA K. PHILLIPS
NOTARY PUBLIC-STATE OF MICHIGAN
COUNTY OF INGHAM
My Commission Expires November 10, 2017
Acting in the County of Ingham

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1.	Bonds (Schedule D)	46,228,419,021	0	46,228,419,021	46,029,935,030
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	146,686	0	146,686	382,120
	2.2 Common stocks	894,618,297	6,227,607	888,390,690	688,816,016
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	7,480,129,619	0	7,480,129,619	6,431,161,683
	3.2 Other than first liens	0	0	0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ 0 encumbrances)	227,691,040	0	227,691,040	216,218,239
	4.2 Properties held for the production of income (less $ 0 encumbrances)	7,172,124	0	7,172,124	7,172,124
	4.3 Properties held for sale (less $ 0 encumbrances)	698,303	0	698,303	698,303
5.	Cash ($ (206,135,622) , Schedule E - Part 1), cash equivalents ($ 2,719,600 , Schedule E - Part 2) and short-term investments ($ 790,028,384 , Schedule DA)	586,612,362	0	586,612,362	776,963,717
6.	Contract loans (including $ 0 premium notes)	4,421,621,023	1,060,360	4,420,560,663	4,373,447,233
7.	Derivatives (Schedule DB)	971,225,870	0	971,225,870	934,525,337
8.	Other invested assets (Schedule BA)	1,377,612,661	26,744,810	1,350,867,851	1,408,095,946
9.	Receivables for securities	101,082,887	0	101,082,887	123,364,746
10.	Securities lending reinvested collateral assets (Schedule DL)	108,864,505	0	108,864,505	269,980,932
11.	Aggregate write-ins for invested assets	(599,617,503)	0	(599,617,503)	(546,961,611)
12.	Subtotals, cash and invested assets (Lines 1 to 11)	61,806,276,895	34,032,777	61,772,244,118	60,713,799,815
13.	Title plants less $ 0 charged off (for Title insurers only)	0	0	0	0
14.	Investment income due and accrued	839,012,715	0	839,012,715	790,310,788
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	11,131,045	0	11,131,045	32,248,644
	15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	69,240,590	0	69,240,590	80,748,438
	15.3 Accrued retrospective premiums ($ 0) and contracts subject to redetermination ($ 0)	0	0	0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	54,203,213	0	54,203,213	41,930,194
	16.2 Funds held by or deposited with reinsured companies	0	0	0	0
	16.3 Other amounts receivable under reinsurance contracts	7,021,038	0	7,021,038	7,795,974
17.	Amounts receivable relating to uninsured plans	0	0	0	0
18.1	Current federal and foreign income tax recoverable and interest thereon	57,491,578	0	57,491,578	447,684,590
18.2	Net deferred tax asset	1,824,595,019	396,377,207	1,428,217,812	794,829,347
19.	Guaranty funds receivable or on deposit	4,345,628	0	4,345,628	7,340,371
20.	Electronic data processing equipment and software	0	0	0	0
21.	Furniture and equipment, including health care delivery assets ($ 0)	37,780,002	37,780,002	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23.	Receivables from parent, subsidiaries and affiliates	920,215,962	0	920,215,962	18,051,284
24.	Health care ($ 0) and other amounts receivable	0	0	0	0
25.	Aggregate write-ins for other than invested assets	509,942,434	44,903,463	465,038,971	519,325,260
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	66,141,256,119	513,093,449	65,628,162,670	63,454,064,705
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	139,153,016,042	0	139,153,016,042	125,642,735,258
28.	Total (Lines 26 and 27)	205,294,272,161	513,093,449	204,781,178,712	189,096,799,963
	DETAILS OF WRITE-INS				
1101.	Interest rate swaps adjustment per permitted practice	(599,617,503)	0	(599,617,503)	(546,961,611)
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	(599,617,503)	0	(599,617,503)	(546,961,611)
2501.	Agents' balances (net)	4,659,432	4,659,432	0	0
2502.	Capitalized software and associated costs	8,694,843	8,694,843	0	0
2503.	DTA on interest rate swap permitted practice	209,866,126	23,218,896	186,647,230	191,436,564
2598.	Summary of remaining write-ins for Line 25 from overflow page	286,722,033	8,330,292	278,391,741	327,888,696
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	509,942,434	44,903,463	465,038,971	519,325,260

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Aggregate reserve for life contracts $ 50,536,968,190 (Exh. 5, Line 9999999) less $ 0 included in Line 6.3 (including $ 0 Modco Reserve)	50,536,968,190	50,579,259,606
2.	Aggregate reserve for accident and health contracts (including $ 0 Modco Reserve)	0	0
3.	Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including $ 0 Modco Reserve)	8,395,984,380	7,162,043,990
4.	Contract claims:		
	4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	717,695,467	658,634,389
	4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	0	0
5.	Policyholders' dividends $ 299,303 and coupons $ 0 due and unpaid (Exhibit 4, Line 10)	299,303	313,772
6.	Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
	6.1 Dividends apportioned for payment (including $ 0 Modco)	10,188,461	10,569,631
	6.2 Dividends not yet apportioned (including $ 0 Modco)	189,307	194,497
	6.3 Coupons and similar benefits (including $ 0 Modco)	60,239	65,709
7.	Amount provisionally held for deferred dividend policies not included in Line 6	0	0
8.	Premiums and annuity considerations for life and accident and health contracts received in advance less $ 0 discount; including $ 0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14)	2,992,168	4,722,214
9.	Contract liabilities not included elsewhere:		
	9.1 Surrender values on canceled contracts	553,558	622,522
	9.2 Provision for experience rating refunds, including the liability of $ 0 accident and health experience rating refunds of which $ 0 is for medical loss ratio rebate per the Public Health Service Act	0	0
	9.3 Other amounts payable on reinsurance, including $ 6,721,961 assumed and $ 24,052,422 ceded	30,774,383	37,493,368
	9.4 Interest maintenance reserve (IMR, Line 6)	300,587,509	400,815,439
10.	Commissions to agents due or accrued-life and annuity contracts $ 95,880,531 accident and health $ 0 and deposit-type contract funds $ 0	95,880,531	88,373,636
11.	Commissions and expense allowances payable on reinsurance assumed	89,298	18,963
12.	General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	186,695,097	241,906,657
13.	Transfers to Separate Accounts due or accrued (net) (including $ (5,810,015,291) accrued for expense allowances recognized in reserves, net of reinsured allowances)	(5,807,039,316)	(5,533,473,508)
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	(255,351)	2,332,276
15.1	Current federal and foreign income taxes, including $ 0 on realized capital gains (losses)	0	0
15.2	Net deferred tax liability	0	0
16.	Unearned investment income	9,358,994	9,857,163
17.	Amounts withheld or retained by company as agent or trustee	4,396,020	3,951,436
18.	Amounts held for agents' account, including $ 7,252,930 agents' credit balances	7,252,930	7,011,068
19.	Remittances and items not allocated	7,697,986	31,616,317
20.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0
21.	Liability for benefits for employees and agents if not included above	0	0
22.	Borrowed money $ 592,460,527 and interest thereon $ 88,062	592,548,589	97,512,289
23.	Dividends to stockholders declared and unpaid	0	0
24.	Miscellaneous liabilities:		
	24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	370,084,575	372,289,136
	24.02 Reinsurance in unauthorized and certified ($ 0) companies	41,306	39,067
	24.03 Funds held under reinsurance treaties with unauthorized and certified ($ 0) reinsurers	3,508,651,058	3,443,280,992
	24.04 Payable to parent, subsidiaries and affiliates	6,628,399	913,722
	24.05 Drafts outstanding	0	0
	24.06 Liability for amounts held under uninsured plans	0	0
	24.07 Funds held under coinsurance	303,664,244	0
	24.08 Derivatives	20,249,242	(30,487,585)
	24.09 Payable for securities	0	0
	24.10 Payable for securities lending	108,864,505	269,980,932
	24.11 Capital notes $ 0 and interest thereon $ 0	0	0
25.	Aggregate write-ins for liabilities	1,298,193,785	875,755,734
26.	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	60,709,294,856	58,735,613,432
27.	From Separate Accounts Statement	139,153,016,042	125,642,735,258
28.	Total liabilities (Lines 26 and 27)	199,862,310,898	184,378,348,690
29.	Common capital stock	13,800,000	13,800,000
30.	Preferred capital stock	0	0
31.	Aggregate write-ins for other than special surplus funds	0	0
32.	Surplus notes	249,487,778	249,456,594
33.	Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	3,233,811,448	3,233,811,448
34.	Aggregate write-ins for special surplus funds	(412,970,273)	(355,525,047)
35.	Unassigned funds (surplus)	1,834,738,861	1,576,908,278
36.	Less treasury stock, at cost:		
	36.1 0 shares common (value included in Line 29 $ 0)	0	0
	36.2 0 shares preferred (value included in Line 30 $ 0)	0	0
37.	Surplus (Total Lines 31+32+33+34+35-36) (including $ 0 in Separate Accounts Statement)	4,905,067,814	4,704,651,273
38.	Totals of Lines 29, 30 and 37 (Page 4, Line 55)	4,918,867,814	4,718,451,273
39.	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	204,781,178,712	189,096,799,963
	DETAILS OF WRITE-INS		
2501.	Deferred compensation	599,528,837	546,752,439
2502.	Deferred rent	5,562,033	7,163,865
2503.	Founders Plan liability	111,166	118,062
2598.	Summary of remaining write-ins for Line 25 from overflow page	692,991,749	321,721,368
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,298,193,785	875,755,734
3101.			
3102.			
3103.			
3198.	Summary of remaining write-ins for Line 31 from overflow page	0	0
3199.	Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	0
3401.	Interest rate swaps adjustment per permitted practice	(412,970,273)	(355,525,047)
3402.			
3403.			
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	(412,970,273)	(355,525,047)

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)	18,631,372,369	23,650,556,215
2.	Considerations for supplementary contracts with life contingencies	8,594,423	7,062,247
3.	Net investment income (Exhibit of Net Investment Income, Line 17)	3,902,994,088	3,864,089,627
4.	Amortization of Interest Maintenance Reserve (IMR, Line 5)	168,694,353	151,553,946
5.	Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6.	Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	371,162,044	62,155,191
7.	Reserve adjustments on reinsurance ceded	0	0
8.	Miscellaneous Income:		
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	3,275,238,829	3,068,685,820
	8.2 Charges and fees for deposit-type contracts	0	0
	8.3 Aggregate write-ins for miscellaneous income	346,742,595	319,507,274
9.	Total (Lines 1 to 8.3)	26,704,798,701	31,123,610,320
10.	Death benefits	1,126,531,221	1,128,924,817
11.	Matured endowments (excluding guaranteed annual pure endowments)	6,698,630	6,281,922
12.	Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	2,169,544,387	2,094,051,544
13.	Disability benefits and benefits under accident and health contracts	11,394,679	11,476,538
14.	Coupons, guaranteed annual pure endowments and similar benefits	97,564	105,261
15.	Surrender benefits and withdrawals for life contracts	10,829,837,971	10,781,034,233
16.	Group conversions	0	0
17.	Interest and adjustments on contract or deposit-type contract funds	165,748,951	140,169,742
18.	Payments on supplementary contracts with life contingencies	8,254,468	8,170,904
19.	Increase in aggregate reserves for life and accident and health contracts	(42,291,416)	1,317,230,733
20.	Totals (Lines 10 to 19)	14,275,816,455	15,487,445,694
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	1,620,836,529	1,844,704,041
22.	Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	(22,669,862)	1,439,718
23.	General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4)	606,179,909	607,345,494
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	58,898,573	56,112,957
25.	Increase in loading on deferred and uncollected premiums	2,626,678	6,264,860
26.	Net transfers to or (from) Separate Accounts net of reinsurance	5,365,111,956	10,630,607,052
27.	Aggregate write-ins for deductions	734,561,143	367,990,860
28.	Totals (Lines 20 to 27)	22,641,361,381	29,001,910,676
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	4,063,437,320	2,121,699,644
30.	Dividends to policyholders	10,637,401	10,448,881
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	4,052,799,919	2,111,250,763
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	1,960,492,247	580,033,568
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)	2,092,307,672	1,531,217,195
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ (1,309,684,697) (excluding taxes of $ 78,126,103 transferred to the IMR)	(2,656,146,820)	(904,248,052)
35.	Net income (Line 33 plus Line 34)	(563,839,148)	626,969,143
	CAPITAL AND SURPLUS ACCOUNT		
36.	Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	4,718,451,273	4,486,137,267
37.	Net income (Line 35)	(563,839,148)	626,969,143
38.	Change in net unrealized capital gains (losses) less capital gains tax of $ 125,366,400	237,345,438	(50,847,149)
39.	Change in net unrealized foreign exchange capital gain (loss)	0	0
40.	Change in net deferred income tax	906,245,966	349,787,250
41.	Change in nonadmitted assets	(139,418,152)	(204,323,028)
42.	Change in liability for reinsurance in unauthorized and certified companies	(2,239)	14,563
43.	Change in reserve on account of change in valuation basis, (increase) or decrease	0	0
44.	Change in asset valuation reserve	2,204,561	21,170,721
45.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46.	Surplus (contributed to) withdrawn from Separate Accounts during period	0	0
47.	Other changes in surplus in Separate Accounts Statement	0	0
48.	Change in surplus notes	31,182	28,784
49.	Cumulative effect of changes in accounting principles	0	0
50.	Capital changes:		
	50.1 Paid in	0	0
	50.2 Transferred from surplus (Stock Dividend)	0	0
	50.3 Transferred to surplus	0	0
51.	Surplus adjustment:		
	51.1 Paid in	0	0
	51.2 Transferred to capital (Stock Dividend)	0	0
	51.3 Transferred from capital	0	0
	51.4 Change in surplus as a result of reinsurance	365,294,158	0
52.	Dividends to stockholders	(550,000,000)	(710,000,000)
53.	Aggregate write-ins for gains and losses in surplus	(57,445,226)	199,513,722
54.	Net change in capital and surplus for the year (Lines 37 through 53)	200,416,540	232,314,007
55.	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	4,918,867,814	4,718,451,273
	DETAILS OF WRITE-INS		
08.301.	General account policy fees	66,004,568	48,764,033
08.302.	Marketing fees	277,353,907	268,591,772
08.303.	Miscellaneous income	1,415,857	1,866,427
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	1,968,263	285,042
08.399.	Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above)	346,742,595	319,507,274
2701.	Additional contract benefits to Founders Plan policyholders	111,713	118,475
2702.	Amortization of goodwill and value of business acquired	49,127,954	56,408,056
2703.	Interest on funds withheld treaties	320,027,318	311,464,329
2798.	Summary of remaining write-ins for Line 27 from overflow page	365,294,158	0
2799.	Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	734,561,143	367,990,860
5301.	Interest rate swaps adjustment per permitted practice	(57,445,226)	199,513,722
5302.			
5303.			
5398.	Summary of remaining write-ins for Line 53 from overflow page	0	0
5399.	Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)	(57,445,226)	199,513,722

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	18,659,637,033	23,622,143,818
2.	Net investment income	3,641,217,075	3,599,146,032
3.	Miscellaneous income	3,973,335,347	3,449,379,621
4.	Total (Lines 1 through 3)	26,274,189,455	30,670,669,471
5.	Benefit and loss related payments	13,961,940,700	13,850,168,039
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	5,638,677,764	10,841,214,955
7.	Commissions, expenses paid and aggregate write-ins for deductions	2,278,857,169	2,465,212,470
8.	Dividends paid to policyholders	11,038,230	10,700,575
9.	Federal and foreign income taxes paid (recovered) net of $ 203,852,235 tax on capital gains (losses)	338,460,892	763,291,332
10.	Total (Lines 5 through 9)	22,228,974,755	27,930,587,371
11.	Net cash from operations (Line 4 minus Line 10)	4,045,214,700	2,740,082,100
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	10,559,614,226	7,740,309,722
	12.2 Stocks	17,296,368	468,156,689
	12.3 Mortgage loans	1,147,298,640	1,154,717,223
	12.4 Real estate	0	93,793
	12.5 Other invested assets	155,760,868	160,454,218
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
	12.7 Miscellaneous proceeds	(2,926,716,807)	300,269,148
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	8,953,253,295	9,824,000,793
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	10,300,634,128	8,408,866,992
	13.2 Stocks	197,921,917	243,796,329
	13.3 Mortgage loans	2,196,375,587	1,596,503,027
	13.4 Real estate	18,133,744	61,889,367
	13.5 Other invested assets	179,030,296	204,026,757
	13.6 Miscellaneous applications	1,144,162,744	1,616,822,471
	13.7 Total investments acquired (Lines 13.1 to 13.6)	14,036,258,416	12,131,904,943
14.	Net increase (decrease) in contract loans and premium notes	47,113,430	14,867,425
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(5,130,118,551)	(2,322,771,574)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	0	0
	16.3 Borrowed funds	494,960,527	(152,500,000)
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	1,233,940,390	914,188,947
	16.5 Dividends to stockholders	550,000,000	710,000,000
	16.6 Other cash provided (applied)	(284,348,421)	(257,843,826)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	894,552,496	(206,154,879)
	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)	(190,351,355)	211,155,647
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	776,963,717	565,808,071
	19.2 End of year (Line 18 plus Line 19.1)	586,612,362	776,963,717

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Policies

The financial statements of Jackson National Life Insurance Company (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services.

The Department of Insurance and Financial Services recognizes statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under Michigan Insurance Law. The Department of Insurance and Financial Services has adopted the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") to the extent that the accounting practices, procedures, and reporting standards are not modified by the Michigan Insurance Code. The state of Michigan has adopted certain prescribed accounting practices that differ from those defined in NAIC SAP. Specifically, the value of the book of business arising from the acquisition of a subsidiary or through reinsurance may be recognized as an admitted asset if certain criteria are met. In NAIC SAP, goodwill may be admitted in amounts not to exceed 10% of an insurer's capital and surplus, as adjusted, and is eliminated in the event of a merger. The commissioner of insurance has the right to permit other specific practices that deviate from prescribed practices.

The Valuation of Life Insurance Policies Model Regulation ("Model 830", also known as Regulation XXX), was effective for NAIC SAP in 2001. The state of Michigan did not permit Model 830 for reserve calculations until January 1, 2002. Thus, reserves for life business issued in calendar year 2001 are not valued according to Model 830 and NAIC SAP, but rather, are valued under the prior method of the Standard Valuation Law, referred to as the 'unitary' method.

Actuarial Guideline XXXV ("Actuarial Guideline 35" or the "Guideline") was adopted by the NAIC in December 1998. The purpose of Actuarial Guideline 35 is to interpret the standards for the valuation of statutory reserves for index-linked annuities. NAIC SAP requires application of Actuarial Guideline 35 for all index-linked annuities issued after December 31, 2000. Michigan law prescribes the valuation of index-linked annuities without consideration of the Guideline. As a result, the Guideline is not reflected in the Company's accounts as of December 31, 2016 and 2015.

As a result of an acquisition accounted for as a statutory purchase in accordance with Statement of Statutory Accounting Principles ("SSAP") No. 68, the Company has goodwill attributed to the value of the book of business acquired ("VOBA"). The VOBA value is fully recoverable by the present value of the future cash flows of the business acquired. Under Michigan law, the entire balance is recognized as an admitted asset. While the VOBA also meets the NAIC SAP definition of goodwill, under statutory goodwill accounting in accordance with paragraph 13 of SSAP No. 68, the entire VOBA of $278,391,741 at December 31, 2016, would be a reduction from the Michigan basis capital and surplus, as shown in the table below.

Effective December 31, 2008, the Company received approval from the Department of Insurance and Financial Services regarding the use of a permitted practice. Since being initially granted, the permitted practice described below has been extended annually by the commissioner with a current expiration date of October 1, 2017. Any increase in surplus resulting from this permitted practice may not be considered by the Company when determining the surplus available for dividends, nor in the determination of the nature of dividends as ordinary or extraordinary.

The permitted practice allows the Company to report the effectiveness of its hedging program related to interest rate swaps consistent with the system the Company has adopted in accordance with Section 943 (2) of the Michigan Insurance Code, as opposed to Statement of Statutory Accounting Principles No. 86 – Accounting for Derivative Instruments and Hedging Activities ("NAIC SSAP No. 86"). As a result, hedging transactions thus identified as effective were reported pursuant to the accounting guidance set forth in NAIC SSAP No. 86. The effect of this permitted practice, reflected as special surplus funds, was to decrease capital and surplus by $599,617,503 ($412,970,273 after tax) at December 31, 2016 and $546,961,611 ($355,525,047 after tax), at December 31, 2015, with no effect on net income.

NOTES TO FINANCIAL STATEMENTS

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

	SSAP #	F/S Page	F/S Line #	12/31/2016	12/31/2015
Net Income					
Jackson National Life Insurance Company, Michigan basis				$ (563,839,148)	$ 626,969,143
Michigan Prescribed Practices that increase/(decrease) NAIC SAP:					
Valuation of Life Insurance Policies Model Regulation (XXX)					
Increase/(decrease) in aggregate reserves for life and accident and health policies and contracts	51	4	19	(695,286)	(271,301)
Actuarial Guideline XXXV					
Increase/(decrease) in aggregate reserves for life and accident and health policies and contracts	51	4	19	5,019,564	(83,315,838)
Amortization of value of business acquired	68	4	2702	(49,127,954)	(49,127,954)
Prescribed practices adjustment				(44,108,390)	(132,443,792)
Tax effect of prescribed practice differences	00, 51, 68	4	32	(1,691,390)	29,124,957
NAIC SAP				$ (517,344,082)	$ 730,559,279
Surplus					
Jackson National Life Insurance Company, Michigan basis				$4,918,867,814	$4,718,451,273
State Prescribed Practices that increase/(decrease) NAIC SAP:					
Valuation of Life Insurance Policies Model Regulation (XXX):					
Reserve, Michigan basis	00	3	1	(10,184,573)	(10,853,127)
Reserve, NAIC SAP	51	3	1	(27,029,048)	(28,392,888)
Model Regulation (XXX) adjustment				16,844,475	17,539,761
Actuarial Guideline XXXV:					
Reserve, Michigan basis	00	3	1	(8,019,541,822)	(8,497,170,675)
Reserve, NAIC SAP	51	3	1	(8,046,193,955)	(8,518,803,244)
Actuarial Guideline XXXV adjustment				26,652,133	21,632,569
Value of business acquired	68	4	2702	278,391,741	327,519,696
Tax effect of prescribed practice differences				(13,289,098)	(11,597,708)
Net impact of prescribed practices				308,599,251	355,094,318
State Permitted Practices that increase/(decrease) NAIC SAP:					
Effectiveness of interest rate swaps per permitted practice	86	2	1101	(599,617,503)	(546,961,611)
Tax effect of permitted practice differences	00, 51, 68, 86	2	18.1	186,647,230	191,436,564
Net impact of permitted practice				(412,970,273)	(355,525,047)
NAIC SAP				$5,023,238,836	$4,718,882,002

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. These estimates and assumptions are based on management's best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors as deemed appropriate. As facts and circumstances dictate, these estimates and assumptions may be adjusted. Since future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in estimates, including those resulting from continuing changes in the economic environment, will be reflected in the financial statements in the periods the estimates are changed.

C. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts. Fee income is recognized as revenue when earned. 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:

(1) Short-term investments are stated at amortized cost.

(2) Bonds not backed by other loans are stated at amortized cost except those with an NAIC rating of "6," which are stated at the lower of amortized cost or fair value. Acquisition premiums and discounts are amortized into investment income through call or maturity dates using the interest method.

(3) Common stocks are stated at fair value, except as described in item (7) below.

(4) Preferred stocks are stated at cost, except those with an NAIC Securities Valuation Office ("SVO") rating of "4" through "6," which are reported at the lower of cost or fair value.

NOTES TO FINANCIAL STATEMENTS

(5) Mortgage loans on real estate are stated at unpaid principal balances, net of unamortized discounts and premiums, impairments and any allowance for loan losses.

(6) Loan-backed and structured securities, hereafter collectively referred to as "loan-backed securities", are stated at amortized cost except those with an NAIC carry rating of "6," which are carried at the lower of amortized cost or fair value. The retrospective adjustment method is used to value loan-backed securities where the collection of all contractual cash flows is probable. For loan-backed securities where the collection of all contractual cash flows is not probable, the Company:

- Recognizes the accretable yield over the life of the loan-backed security as determined at the acquisition or transaction date,
- Continues to estimate cash flows expected to be collected at least quarterly, and
- Recognizes an other-than-temporary impairment loss if the loan-backed security is impaired (i.e., the fair value is less than the amortized cost basis) and if the Company does not expect to recover the entire amortized cost basis when compared to the present value of cash flows expected to be collected.

Investments are reduced to estimated fair value (discounted cash flows for loan-backed securities) for declines in value that are determined to be other-than-temporary. In determining whether an other-than-temporary impairment has occurred, the Company considers a security's forecasted cash flows as well as the severity and duration of depressed fair values.

If the Company intends to sell an impaired loan-backed security or does not have the intent and ability to retain the impaired loan-backed security for a period of time sufficient to recover the amortized cost basis, an other-than-temporary impairment has occurred. In these situations, the other-than-temporary impairment loss recognized is the difference between the amortized cost basis and fair value. For loan-backed securities, the credit portion of the recognized loss is recorded to the asset valuation reserve ("AVR") and the non-credit portion is recorded to the interest maintenance reserve ("IMR"). If the Company does not expect to recover the entire amortized cost basis when compared to the present value of cash flows expected to be collected, it cannot assert that it has the ability to recover the loan-backed security's amortized cost basis even though it has no intent to sell and has the intent and ability to retain the loan-backed security. Therefore, an other-than-temporary impairment has occurred and a realized loss is recognized for the non-interest related decline, which is calculated as the difference between the loan-backed security's amortized cost basis and the present value of cash flows expected to be collected.

For situations where an other-than-temporary impairment is recognized, the previous amortized cost basis less the other-than temporary impairment recognized as a realized loss becomes the new amortized cost basis of the loan-backed security. The new amortized cost basis is not adjusted for subsequent recoveries in fair value. Therefore, the prospective adjustment method is used for periods subsequent to other-than-temporary impairment loss recognition.

(7) The Company carries its audited wholly owned insurance and non-insurance subsidiaries at statutory capital and surplus and U.S. generally accepted accounting principles ("GAAP") equity, respectively. The Company nonadmits $6,227,607 of the unaudited equity of seven subsidiaries, with a carrying value of $6,227,607 on Schedule D, Part 2, Section 2. The Company also nonadmits $17,329,518 in unaudited equity in four limited liability subsidiaries with a combined carrying value of $17,329,518 on Schedule BA – Part 1.

(8) The Company carries ownership interests in partnerships and limited liability companies at fair value based on the GAAP equity of the investee.

(9) Derivative instruments used for hedging purposes are stated at amortized cost or fair value. See Note 8 for more information on derivative instruments.

(10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company did not modify its fixed asset capitalization policy from the prior period.

(13) The Company does not have pharmaceutical rebate receivables.

D. Going Concern

There is not substantial doubt about the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

The Company had no material changes in accounting principle or corrections of errors for the years ended December 31, 2016 and 2015.

NOTES TO FINANCIAL STATEMENTS

3. Business Combinations and Goodwill

A. Statutory Purchase Method

(1)-(4) On May 18, 2005, Brooke Life Insurance Company ("BLIC"), parent of the Company, purchased 100% interest of the Life Insurance Company of Georgia ("LOG") from a downstream subsidiary of ING Groep, N.V. ("ING"). On May 31, 2005, BLIC transferred 100% of its interest in LOG to the Company. On December 31, 2005, LOG was merged into the Company. The purchase of LOG by BLIC was accounted for as a statutory purchase and the subsequent transfer to the Company as a capital contribution. The final adjusted purchase price paid by BLIC for LOG was $253,458,829, with the $194,919,400 excess of the adjusted purchase price over the net statutory assets acquired recorded as goodwill. There was no value ascribed to the LOG name or other such intangibles. The Company amortized LOG goodwill, which was fully amortized at December 31, 2015. Amortization expense recorded during 2015 was $7,280,102.

On September 4, 2012, the Company completed the purchase of SRLC America Holding Corp. ("SRLC") from Swiss Re Life Capital Ltd. Reassure America Life Insurance Company ("REALIC") was a wholly owned subsidiary of SRLC and the primary business entity under SRLC. On December 31, 2012, REALIC was merged with the Company. The purchase of REALIC was accounted for as a statutory purchase. The final adjusted purchase price paid for REALIC was $605,044,583, with the $491,279,544 excess of the adjusted purchase price over the net statutory assets acquired recorded as VOBA. There was no value ascribed to the REALIC name or other such intangibles. The Company amortizes REALIC VOBA, recording amortization expense of $49,127,954 during both 2016 and 2015.

B. Statutory Merger

The Company did not have business combinations during the year accounted for as a statutory merger.

C. Assumption Reinsurance

The Company did not have goodwill resulting from assumption reinsurance during the year.

D. Impairment Loss

The Company did not recognize an impairment loss during the year with respect to business combinations and goodwill.

4. Discontinued Operations

The Company did not have transactions during the year with respect to discontinued operations.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

(1) The minimum and maximum lending rates for mortgage loans issued during 2016 were:
Commercial loans 3.0% and 4.5%, Multi-family loans 3.0% and 4.0%.

(2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages, was 79.8%.

(3) The Company had no taxes, assessments, or advances not included in the mortgage loan total.

(4) Age Analysis of Mortgage Loans:

		Residential		Commercial			
	Farm	Insured	All Other	Insured	All Other	Mezzanine	Total
2016							
1. Recorded investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 7,480,129,619	$ -	$ 7,480,129,619
2015							
1. Recorded investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 6,431,161,683	$ -	$ 6,431,161,683

(5) Investment in Impaired Loans With or Without Allowance for Credit Losses:

		Residential		Commercial			
	Farm	Insured	All Other	Insured	All Other	Mezzanine	Total
2016							
1. With allowance for credit losses	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2. No allowance for credit losses	-	-	-	-	-	-	-
2015							
1. With allowance for credit losses	$ -	$ -	$ -	$ -	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

(6) Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting:

		Residential		Commercial			
	Farm	Insured	All Other	Insured	All Other	Mezzanine	Total
2016							
1. Average recorded investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2. Interest income recognized	-	-	-	-	-	-	-
3. Recorded investments on nonaccrual status	-	-	-	-	-	-	-
4. Amount of interest income recognized using a cash-basis method of accounting	-	-	-	-	-	-	-
2015							
1. Average recorded investment	$ -	$ -	$ -	$ -	$ 3,867,934	$ -	$ 3,867,934
2. Interest income recognized	-	-	-	-	114,481	-	114,481
3. Recorded investments on nonaccrual status	-	-	-	-	-	-	-
4. Amount of interest income recognized using a cash-basis method of accounting	-	-	-	-	237,496	-	237,496

	2016	2015
(7) Allowance for credit losses:		
a. Balance at beginning of period	$ -	$ -
b. Additions charged to operations	-	-
c. Direct write-downs charged against the allowances	-	-
d. Recoveries of amounts previously charged off	-	-
e. Balance at end of period	$ -	$ -

(8) The Company did not have mortgage loans derecognized as a result of foreclosure.

(9) The Company continues to accrue uncollected interest income for impaired mortgages unless the interest is deemed uncollectible. Cash receipts are applied first against interest accruals, and then to principal.

B. Debt Restructuring

In connection with certain problem credit workouts (often related to bankruptcy proceedings or a debtor's "Offer to Exchange"), the Company receives cash and/or newly issued securities in partial or full satisfaction of outstanding debtor obligations. To the extent such transactions meet the definition of a troubled debt restructuring; they are accounted for at fair value with any associated losses realized.

	2016	2015
(1) The total recorded investment in restructured loans	$ -	$ -
(2) The realized capital losses related to these loans	$ -	$ -

(3) The Company has no additional funding commitments to debtors whose debt has been restructured.

(4) The Company continues to accrue interest for restructured loans unless the interest is deemed uncollectible.

C. Reverse Mortgages

The Company does not have investments in reverse mortgages.

D. Loan-Backed Securities

(1) Principal prepayment assumptions for loan-backed and structured securities are obtained from broker-dealers, independent providers of broker-dealer estimates, or internal models.

(2) There were no loan-backed and structured securities with a recognized other-than-temporary impairment where the Company has either the intent to sell the securities or lacks the ability or intent to retain the securities as of the statement date.

NOTES TO FINANCIAL STATEMENTS

(3) The following table details loan-backed and structured securities with a recognized other-than-temporary impairment recorded in 2016 where the Company has the intent and ability to hold the securities for sufficient time to recover the amortized cost:

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash Flows	Recognized other-than-temporary impairment	Amortized cost after other-than temporary impairment	Fair Value	Financial Statement Reporting Period
05949CMV5	818,048	811,991	6,057	811,991	810,477	Q1-2016
12498NAC7	2,275,597	2,199,266	76,330	2,199,266	2,031,452	Q1-2016
126673P55	263,464	30,969	232,495	30,969	240,742	Q1-2016
31359VMN0	137,472	108,325	29,147	108,325	136,563	Q1-2016
32051GE92	2,038,129	2,021,352	16,777	2,021,352	2,032,278	Q1-2016
32051GL78	5,735,370	5,670,408	64,962	5,670,408	5,430,259	Q1-2016
32051GWU5	7,111,979	7,030,110	81,868	7,030,110	7,030,633	Q1-2016
32051GYJ8	7,334,173	7,232,449	101,725	7,232,449	7,238,771	Q1-2016
378961AJ5	28,429	22,294	6,135	22,294	23,881	Q1-2016
38373MAJ9	10,487	-	10,487	-	-	Q1-2016
38374GCH3	2,097	-	2,097	-	-	Q1-2016
46630KAC0	4,293,322	4,227,655	65,667	4,227,655	4,052,768	Q1-2016
74959RAB2	16,663,990	14,429,809	2,234,181	14,429,809	11,185,880	Q1-2016
74959RAD8	22,218,599	19,043,886	3,174,713	19,043,886	15,024,690	Q1-2016
74959RAF3	17,454,750	15,166,797	2,287,953	15,166,797	11,962,710	Q1-2016
759950ES3	152,426	138,911	13,515	138,911	103,644	Q1-2016
87804AAD4	6,620,732	6,564,662	56,070	6,564,662	5,546,102	Q1-2016
12669ATR5	279,391	271,651	7,740	271,651	261,111	Q2-2016
16162WKK4	126,096	73,002	53,094	73,002	125,959	Q2-2016
31359VHD8	140,920	79,384	61,536	79,384	119,682	Q2-2016
32051GL78	5,305,067	5,260,072	44,995	5,260,072	5,036,673	Q2-2016
32051GYJ8	6,686,294	6,649,806	36,487	6,649,806	6,667,695	Q2-2016
378961AJ5	22,653	16,444	6,209	16,444	19,843	Q2-2016
74959RAB2	14,335,507	12,758,714	1,576,793	12,758,714	9,909,300	Q2-2016
74959RAD8	18,929,270	16,644,813	2,284,457	16,644,813	13,384,440	Q2-2016
74959RAF3	15,069,740	13,409,854	1,659,886	13,409,854	10,653,650	Q2-2016
759950ES3	128,688	114,147	14,541	114,147	85,478	Q2-2016
87804AAD4	6,595,757	6,337,340	258,417	6,337,340	5,533,196	Q2-2016
32051GWU5	6,288,185	6,012,913	275,272	6,012,913	6,270,768	Q3-2016
378961AJ5	16,699	6,260	10,440	6,260	7,006	Q3-2016
759950ES3	105,642	96,581	9,061	96,581	82,240	Q3-2016
79548KJ25	38,591	-	38,591	-	11,189	Q3-2016
87804AAD4	6,292,162	6,164,963	127,199	6,164,963	5,774,066	Q3-2016
9393363P6	3,008,304	2,876,198	132,106	2,876,198	2,741,605	Q3-2016
1248MBAL9	4,576,449	4,515,889	60,560	4,515,889	4,567,642	Q4-2016
12498NAC7	2,223,354	2,167,530	55,824	2,167,530	2,182,896	Q4-2016
32051GL78	4,696,291	4,616,272	80,019	4,616,272	4,499,942	Q4-2016
378961AF3	730,412	726,076	4,336	726,076	517,554	Q4-2016
378961AJ5	6,380	1,467	4,913	1,467	4	Q4-2016
759950ES3	85,306	75,349	9,957	75,349	69,213	Q4-2016
Total			**15,272,613**			

(4) The following table summarizes loan-backed and structured securities in an unrealized loss position as of December 31, 2016:

	Total	<12 Months	12+ Months
Fair Value	$ 1,266,434,349	$ 1,034,586,326	$ 231,848,023
Unrealized Loss	$ 50,396,073	$ 15,011,889	$ 35,384,184

The carrying value and fair value of all loan-backed and structured securities, regardless of whether the security is in an unrealized loss position, was $4,810,290,739 and $4,902,198,806, respectively.

(5) The Company periodically reviews its debt securities and equities on a case-by-case basis to determine if any decline in fair value to below cost or amortized cost is other-than-temporary. Factors considered in determining whether a decline is other-than-temporary include the length of time a security has been in an unrealized loss position, reasons for the decline in value, expectations for the amount and timing of a recovery in value, and the Company's intent and ability not to sell a security prior to a recovery in fair value.

Securities the Company determines are underperforming or potential problem securities are subject to regular review. To facilitate the review, securities with significant declines in value, or where other objective criteria evidencing credit deterioration have been met, are included on a watch list. Among the criteria for securities to be included on a watch list are: credit deterioration that has led to a significant decline in fair value of the security; a significant covenant related to the security has been breached; or an issuer has filed or indicated a possibility of filing for bankruptcy, has missed or announced it intends to miss a scheduled interest or principal payment, or has experienced a specific material adverse change that may impair its creditworthiness.

NOTES TO FINANCIAL STATEMENTS

In performing these reviews, the Company considers the relevant facts and circumstances relating to each investment and exercises considerable judgment in determining whether a security is other-than-temporarily impaired. Assessment factors include judgments about an obligor's current and projected financial position, an issuer's current and projected ability to service and repay its debt obligations, the existence of, and realizable value of, any collateral supporting the obligations, and the macro-economic and micro-economic outlooks for specific industries and issuers. This assessment may also involve assumptions regarding underlying collateral such as prepayment rates, default and recovery rates, and third-party servicing capabilities.

E. Repurchase Agreements and/or Securities Lending Transactions

(1) For securities lending agreements, the Company requires collateral with a minimum fair value of 102% of the fair value of the loaned securities, calculated on a daily basis. Cash collateral received was invested in short-term investments and an offsetting liability was included in Payable for Securities Lending. The fair value of the collateral at December 31, 2016 was $108,864,505. There was no collateral received for repurchase agreements or dollar repurchase agreements.

(2) The carrying value and fair value of collateral pledged related to repurchase agreements at December 31, 2016 was $516,176,797 and $418,948,079, respectively. There was no collateral pledged related to securities lending transactions at December 31, 2016.

(3) Collateral Received

a. Aggregate Amount Collateral Received

	Fair Value
1. Repurchase Agreement	
(a) - (h) Total Collateral Received	$ -
2. Securities Lending:	
(a) Open	$ 108,864,505
(b) - (g) Not applicable	-
(h) Total Collateral Received	$ 108,864,505
3. Dollar Repurchase Agreement	
(a) - (h) Total Collateral Received	$ -

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	$ 108,864,505

c. The Company receives cash collateral in an amount in excess of the fair value of the securities lent and invests the collateral into highly liquid short-term investments.

(4) The Company does not have any securities lending transactions administered by an affiliated agent in which "one-line" reporting is used.

(5) Collateral Reinvestment

a. Aggregate Amount Collateral Reinvested

	Amortized Cost	Fair Value
1. Repurchase Agreement		
(a) - (m) Total Collateral Reinvested	$ -	$ -
2. Securities Lending:		
(a) Open	$ 108,864,505	$ 108,864,505
(b) - (l) None	-	-
(m) Total Collateral Reinvested	$ 108,864,505	$ 108,864,505
3. Dollar Repurchase Agreement		
(a) - (m) Total Collateral Reinvested	$ -	$ -

b. Under the securities lending agreement, the collateral received remains segregated from the Company's other invested assets and is invested into highly liquid and high quality short-term investments that could be sold and used to pay the amounts due under the agreement.

(6) The Company has not accepted collateral that it is not permitted by contract or custom to sell or repledge.

(7) The Company does not have securities lending transactions that extend beyond one year from the reporting date.

NOTES TO FINANCIAL STATEMENTS

F. Real Estate

The Company has no real estate investment activities requiring disclosure.

G. Low-Income Housing Tax Credit Investments

The Company does not have investments in low-income housing tax credits.

H. Restricted Assets

(1) Restricted Assets (Including Pledged)

	Gross (Admitted & Nonadmitted) Restricted						
	Current Year						
	1	2	3	4	5	6	7
Restricted Asset Category	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)
c. Subject to repurchase agreements	$ 516,176,797	$ -	$ -	$ -	$ 516,176,797	$ -	$ 516,176,797
i. FHLB capital stock	125,392,100	-	-	-	125,392,100	99,248,200	26,143,900
j. On deposit with state	117,910,088	-	-	-	117,910,088	123,120,327	(5,210,239)
l. Pledged as collateral to FHLB	3,629,074,472	-	-	-	3,629,074,472	2,639,211,033	989,863,439
m. Pledged as collateral not captured in other categories	1,312,781,963	-	-	-	1,312,781,963	459,306,286	853,475,677
n. Other restricted assets	98,774,715	-	-	-	98,774,715	270,576,098	(171,801,383)
o. Total Restricted Assets	$ 5,800,110,135	$ -	$ -	$ -	$ 5,800,110,135	$ 3,591,461,944	$ 2,208,648,191

(a) Subset of column 1
(b) Subset of column 3

	Current Year			
			Percentage	
	8	9	10	11
Restricted Asset Category	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
c. Subject to repurchase agreements	$ -	$ 516,176,797	0.25%	0.25%
i. FHLB capital stock	-	125,392,100	0.06%	0.06%
j. On deposit with state	-	117,910,088	0.06%	0.06%
l. Pledged as collateral to FHLB	-	3,629,074,472	1.77%	0.00% 1.77%
m. Pledged as collateral not captured in other categories	-	1,312,781,963	0.64%	0.64%
n. Other restricted assets	-	98,774,715	0.05%	0.05%
o. Total Restricted Assets	$ -	$ 5,800,110,135	2.83%	2.83%

(c) Column 5 divided by Asset Page, Column 1, Line 28
(d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories

	Gross (Admitted & Nonadmitted Restricted)								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Description of Assets	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total	Total From Prior Year	Increase/ (Decrease)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Futures	$1,312,781,963	$ -	$ -	$ -	$ 1,312,781,963	$ 459,306,286	$ 853,475,677	$ 1,312,781,963	0.64%	0.64%
Total (c)	$1,312,781,963	$ -	$ -	$ -	$ 1,312,781,963	$ 459,306,286	$ 853,475,677	$ 1,312,781,963	0.64%	0.64%

(a) Subset of column 1
(b) Subset of column 3
(c) Total Line for Columns 1 through 7 should equal 5H(1)m Columns 1 through 7 respectively and Total Line for Column 8 through 10 should equal H(1)m Columns 9 through 11 respectively

(3) Detail of Other Restricted Assets

	Gross (Admitted & Nonadmitted) Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Description of Assets	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Securities Loaned for Sec. Lending Agreements	$ 98,774,715	$ -	$ -	$ -	$ 98,774,715	$ 270,576,098	$ (171,801,383)	$ 98,774,715	0.05%	0.05%
Total (c)	$ 98,774,715	$ -	$ -	$ -	$ 98,774,715	$ 270,576,098	$ (171,801,383)	$ 98,774,715	0.05%	0.05%

(a) Subset of column 1
(b) Subset of column 3
(c) Total Line for Columns 1 through 7 should equal 5H(1)n Columns 1 through 7 respectively and Total Line for Column 8 through 10 should equal H(1)n Columns 9 through 11 respectively

NOTES TO FINANCIAL STATEMENTS

(4) Collateral Received and Reflected as Assets

	1	2	3	4
Collateral Assets	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted)*	% of BACV to Total Admitted Assets**
a. Cash	$ -	$ -	0.00%	0.00%
b. Schedule D, Part 1	-	-	0.00%	0.00%
c. Schedule D, Part 2, Section 1	-	-	0.00%	0.00%
d. Schedule D, Part 2, Section 2	-	-	0.00%	0.00%
e. Schedule B	-	-	0.00%	0.00%
f. Schedule A	-	-	0.00%	0.00%
g. Schedule BA, Part 1	-	-	0.00%	0.00%
h. Schedule DL, Part 1	108,864,505	108,864,505	0.16%	0.17%
i. Other	132,482,893	132,482,893	0.20%	0.20%
j. Total Collateral Assets	$ 241,347,398	$ 241,347,398	0.36%	0.37%

* Column 1 divided by Asset Page, Line 26 (Column 1)
** Column 1 divided by Asset Page, Line 26 (Column 3)

	1	2
	Amount	% of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	$ 241,347,398	0.40%

* Column 1 divided by Liability Page, Line 26 (Column 1)

I. Working Capital Finance Investments

The Company does not have working capital finance investments.

J. Offsetting and Netting of Assets and Liabilities

The Company reports derivatives, repurchase agreements and securities lending assets and liabilities on a gross basis.

K. Structured Notes

The Company does not have structured notes as defined per the Purposes and Procedures Manual of the NAIC Investment Analysis Office.

L. 5* Securities

Investment	Number of 5* Securities		Aggregate BACV		Aggregate Fair Value	
	Current Year	Pior Year	Current Year	Pior Year	Current Year	Pior Year
(1) Bonds - AC	1	1	$ 9,844,138	$ 9,884,284	$ 9,800,000	$ 9,996,000
(2) LB&SS - AC	2	2	178,891	225,285	153,706	193,568
(3) Preferred Stock - AC	-	-	-	-	-	-
(4) Preferred Stock - FV	-	-	-	-	-	-
(5) Total	3	3	$ 10,023,029	$ 10,109,569	$ 9,953,706	$ 10,189,568

AC - Amortized Cost FV - Fair Value

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets.

B. The Company recognized impairment writedowns of $62,697,541 and $81,077,172 on joint ventures, partnerships, limited liability companies and other loans during 2016 and 2015, respectively. These writedowns were the recognition of losses that were previously reflected in surplus as unrealized. Refer to Note 10J for additional details related to the 2016 impairment writedown.

7. Investment Income

A. Investment income due and accrued was excluded on the following basis:

Bonds - securities in default and otherwise where collection of interest is uncertain.

Mortgage loans - loans in foreclosure or delinquent greater than one year, and otherwise where collection of interest is uncertain.

Real Estate – properties where rent is in arrears for more than three months.

B. Income due and accrued on investments where collection is not likely has been excluded from net investment income. At December 31, 2016, the amount excluded was $5,976,169. No additional nonadmitted amounts have been charged to surplus.

8. Derivative Instruments

A. The Company enters into financial derivative transactions, including, but not limited to, swaps, put-swaptions, forwards, futures and options to reduce and manage business risks. These transactions manage the risk of a change in the value, yield, price, credit risk, cash flows, credit quality, or degree of exposure with respect to assets, liabilities, or future cash flows, which the Company has acquired or incurred.

Derivative instruments are held primarily for hedging purposes. The hedging program is supported by correlation analysis, cash flow matching, duration matching, and/or scenario testing.

Fair values of derivative instruments are based on quoted market prices, estimates received from independent pricing services, or valuation pricing models, and generally reflect the estimated amounts that the Company would receive or pay upon sale or termination of the contracts as of the reporting date. With respect to market risk movements on derivatives used for hedging purposes, fair value changes would be anticipated to be offset by fair value changes of the hedged items. Derivatives used in hedging activities and acquired prior to 2003 are accounted for in a manner consistent with the hedged items. Excluding interest rate swaps as described in Note 1A, derivatives used in hedging activities and acquired after 2002 are accounted for at fair value.

Cash requirements for derivatives activities are limited to payments on swaps and options, and margin requirements on open futures contracts.

B. Interest rate swap agreements hedge assets or liabilities and generally involve the exchange of fixed and floating payments over the life of the agreements without an exchange of the underlying principal (notional) amount. Generally, no cash is exchanged at the outset of the contract. The Company agrees with counterparties to exchange, at specified intervals, the difference between referenced rates on the notional amount. A cash payment, representing the net differential, is usually made by one counterparty to the other at each payment date.

Put-swaption contracts provide the purchaser with the right, but not the obligation, to require the writers to pay the present value of a long duration interest rate swap at future exercise dates. The Company purchases and writes put-swaption contracts with maturities up to 10 years. The Company’s put-swaption contracts hedge against movements in interest rates.

Equity index futures contracts and equity index call and put options are used to hedge the Company’s obligations associated with its fixed indexed immediate and deferred annuities and guarantees provided by variable annuity products.

Treasury futures contracts are used to hedge movements in interest rates.

Cross-currency swaps, which embody spot and forward currency swaps and additionally, in some cases, interest rate swaps and equity swaps, are entered into for the purpose of hedging the Company's foreign currency denominated guaranteed investment contracts.
Credit default swaps may be used to hedge potential changes in the credit quality of certain bonds held by the Company.

C. With the permitted practice described in Note 1A, interest rate swap agreements are reported in invested assets at amortized cost. Net amounts paid or received on interest rate swaps and interest accruals are reported in investment income.

Put-swaption contracts are reported in invested assets at fair value and put-swaption contracts written are reported in liabilities at fair value. Changes in fair value are recorded as unrealized gains or unrealized losses.

Treasury futures, equity index futures contracts and equity index options (including various call and put options) are reported in invested assets at fair value. Changes in fair value are recorded as unrealized gains or unrealized losses.

Cross-currency swaps transacted prior to 2003 are reported in invested assets at amortized cost. Cross-currency swaps transacted after 2002 are reported in invested assets at fair value. Amounts paid or received are netted with amounts paid or received on the hedge-associated foreign currency denominated guaranteed investment contracts. Changes in fair value of the swaps transacted after 2002 are recorded as unrealized gains or unrealized losses.

Credit default swaps are reported in invested assets at fair value. Changes in fair value are recorded as unrealized gains or unrealized losses. Periodic premiums paid are reported in investment income.

D. The Company has no unrealized gains or losses from derivative instruments that are excluded from the assessment of hedge effectiveness.

E. The Company did not have any hedges that previously were deemed effective that are no longer deemed effective.

F. The Company has no derivatives accounted for as cash flow hedges of a forecasted transaction.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A.

1. The components of the net deferred tax asset at December 31 are as follows:

	December 31, 2016			December 31, 2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total gross DTA	$ 2,730,479,518	$ 36,661,320	$ 2,767,140,838	$ 1,997,609,337	$ 262,587,099	$ 2,260,196,436	$ 732,870,181	$ (225,925,779)	$ 506,944,402
Statutory valuation allowance	-	-	-	-	-	-	-	-	-
Adjusted gross DTA	2,730,479,518	36,661,320	2,767,140,838	1,997,609,337	262,587,099	2,260,196,436	732,870,181	(225,925,779)	506,944,402
DTA nonadmitted	419,596,103	-	419,596,103	81,010,791	167,875,313	248,886,104	338,585,312	(167,875,313)	170,709,999
Subtotal net admitted DTA	2,310,883,415	36,661,320	2,347,544,735	1,916,598,546	94,711,786	2,011,310,332	394,284,869	(58,050,466)	336,234,403
Deferred tax liabilities	(652,294,915)	(80,384,778)	(732,679,693)	(938,903,103)	(86,141,318)	(1,025,044,421)	286,608,188	5,756,540	292,364,728
Net admitted DTA	$ 1,658,588,500	$ (43,723,458)	$ 1,614,865,042	$ 977,695,443	$ 8,570,468	$ 986,265,911	$ 680,893,057	$ (52,293,926)	$ 628,599,131

The net admitted DTA reconciles to the Assets page as follows:

	12/31/2016	12/31/2015
Net admitted DTA, line 18.2	$ 1,428,217,812	$ 794,829,347
DTA on interest rate swap permitted practice, write-in line 25	186,647,230	191,436,564
Net admitted DTA	$ 1,614,865,042	$ 986,265,911

2. Admission Calculation Components SSAP 101:

	December 31, 2016			December 31, 2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ 1,435,941,953	$ 705,279	$ 1,436,647,232	$ 520,466,797	$ 8,080,727	$ 528,547,524	$ 915,475,156	$ (7,375,448)	$ 908,099,708
(b) Adjusted gross DTA expected to be realized after application of the threshold limitation (Lesser of 2(b)1 or 2(b)2 below)	178,175,065	42,744	178,217,809	457,228,646	489,741	457,718,387	(279,053,581)	(446,997)	(279,500,578)
1. Adjusted gross DTA expected to be realized following the balance sheet eate			178,217,809			457,718,387			(279,500,578)
2. Adjusted gross DTA allowed per limitation threshold			495,653,005			499,940,992			(4,287,987)
(c) Adjusted gross DTA (excluding the amount of DTA from 2(a) and 2(b) above) offset by gross DTL	696,766,397	35,913,297	732,679,694	938,903,103	86,141,318	1,025,044,421	(242,136,706)	(50,228,021)	(292,364,727)
(d) DTA admitted as the result of application of SSAP No. 101	$ 2,310,883,415	$ 36,661,320	$ 2,347,544,735	$ 1,916,598,546	$ 94,711,786	$ 2,011,310,332	$ 394,284,869	$ (58,050,466)	$ 336,234,403

3.

	2016	2015
(a) Ratio percentage used to determine recovery period and threshold limitation amount	709.5%	812.9%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation amount	$ 3,879,228,912	$ 4,313,531,234

4. Impact of tax planning strategies

	December 31, 2016		December 31, 2015		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
(a) Determination of adjusted gross DTA and net admitted DTA, by tax character as a percentage						
1. Adjusted gross DTAs	$ 2,730,479,518	$ 36,661,320	$ 1,997,609,337	$ 262,587,099	$ 732,870,181	$ (225,925,779)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
3. Net admitted adjusted gross DTAs	$ 2,310,883,415	$ 36,661,320	$ 1,916,598,546	$ 94,711,786	$ 394,284,869	$ (58,050,466)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%	0%	0%	0%

(b) The Company's tax-planning strategies do not include the use of reinsurance.

NOTES TO FINANCIAL STATEMENTS

B. Regarding deferred tax liabilities that are not recognized:

(1) There are no temporary differences for which deferred tax liabilities have not been recognized. Accordingly, there are no events that would cause unrecognized temporary differences to become taxable.

(2) There are no unrecognized temporary differences.

(3) There are no unrecognized deferred tax liabilities related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration.

(4) There are no other deferred tax liabilities not recognized.

C. Significant components of income taxes incurred as of December 31 are:

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

	2016	2015	Change
Operations			
Federal taxes from operations	$ 1,932,642,660	$ 663,055,214	$ 1,269,587,446
Foreign tax expense	-	-	-
Subtotal	1,932,642,660	663,055,214	1,269,587,446
Federal tax benefit on capital gains	(1,256,705,961)	(283,004,213)	(973,701,748)
Utilization of operating loss carry forwards	(4,197,896)	(8,489,578)	4,291,682
Other	56,915,102	(57,102,048)	114,017,150
Total federal current taxes incurred	$ 728,653,905	$ 314,459,375	$ 414,194,530

Federal current taxes incurred are reflected in the accompanying statements as follows:

	2016	2015	Change
Federal taxes incurred	$ 1,960,492,247	$ 580,033,568	$ 1,380,458,679
Capital gains tax transferred to AVR	(1,309,684,697)	(340,438,471)	(969,246,226)
Taxes transferred to IMR	78,126,103	75,259,573	2,866,530
Taxes on liability gains released from the IMR	(279,748)	(395,295)	115,547
Total federal current taxes incurred	$ 728,653,905	$ 314,459,375	$ 414,194,530

(2) The main components of deferred tax amounts at December 31 are as follows:

	2016	2015	Change
Deferred tax assets resulting from book/tax differences in:			
Ordinary:			
Deferred acquisition costs	$ 384,600,182	$ 400,419,331	$ (15,819,149)
Insurance reserves	536,331,147	853,453,627	(317,122,480)
Investments	1,560,085,417	476,920,598	1,083,164,819
Deferred compensation	133,001,991	139,758,498	(6,756,507)
Deferred and uncollected premium	4,692,787	7,662,341	(2,969,554)
Net operating loss carryforward	74,381,384	78,485,507	(4,104,123)
Other	37,386,610	40,909,435	(3,522,825)
Total ordinary gross & adjusted gross deferred tax assets	2,730,479,518	1,997,609,337	732,870,181
Deferred tax assets nonadmitted	(419,596,103)	(81,010,791)	(338,585,312)
Admitted ordinary gross deferred tax assets	2,310,883,415	1,916,598,546	394,284,869
Capital:			
Investments	35,938,057	261,463,291	(225,525,234)
Unrealized capital losses	723,263	1,123,808	(400,545)
Total capital gross & adjusted gross deferred tax assets	36,661,320	262,587,099	(225,925,779)
Deferred tax assets nonadmitted	-	(167,875,313)	167,875,313
Admitted capital gross deferred tax assets	36,661,320	94,711,786	(58,050,466)
Total admitted deferred tax assets	$ 2,347,544,735	$ 2,011,310,332	$ 336,234,403

(3) Deferred tax liabilities resulting from book/tax differences in:

	2016	2015	Change
Ordinary:			
Investments	$ 527,342,800	$ 771,410,593	$ (244,067,793)
Fixed assets	8,537,286	8,593,380	(56,094)
Insurance reserves	88,885,943	118,129,712	(29,243,769)
Due and deferred premium	27,472,450	40,568,323	(13,095,873)
Other	56,436	201,095	(144,659)
Total ordinary deferred tax liabilities	652,294,915	938,903,103	(286,608,188)
Total capital deferred tax liabilities	80,384,778	86,141,318	(5,756,540)
Total deferred tax liabilities	732,679,693	1,025,044,421	(292,364,728)

(4) Total net admitted deferred tax asset $ 1,614,865,042 | $ 986,265,911 | $ 628,599,131

NOTES TO FINANCIAL STATEMENTS

There have been no adjustments to gross deferred tax assets because of a change in circumstances that causes a change in judgment about their realizability.

The change in the net deferred income taxes is comprised of the following (this analysis is exclusive of the nonadmitted DTAs as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	2016	2015	Change
Total deferred tax assets	$ 2,767,140,838	$ 2,260,196,436	$ 506,944,402
Total deferred tax liabilities	(732,679,693)	(1,025,044,421)	292,364,728
Net deferred tax assets/liabilities	2,034,461,145	1,235,152,015	799,309,130
Statutory valuation allowance adjustment	-	-	-
Net DTA after statutory valuation allowance adjustment	2,034,461,145	1,235,152,015	799,309,130
Tax effect of unrealized gains (losses)	21,618,206	(103,748,195)	125,366,401
Change in net deferred income tax	$ 2,056,079,351	$ 1,131,403,820	$ 924,675,531

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income (including capital items) before income taxes. The significant items causing this difference are:

	2016	Tax effect at 35%	Effective Tax Rate
Income before taxes	$ 233,863,854	$ 81,852,349	35.0%
BLIC tax expense	3,088,944	1,081,130	0.5%
Dividends received deduction	(1,498,174,268)	(524,360,994)	-224.2%
Interest maintenance reserve	(168,694,353)	(59,043,024)	-25.2%
LLC impact	527,178,338	184,512,418	78.9%
Nondeductible goodwill	49,127,954	17,194,784	7.4%
Tax credits	(81,004,603)	(28,351,611)	-12.1%
Gain on reinsurance of inforce	365,294,158	127,852,955	54.7%
Other	9,258,188	3,240,367	1.4%
Total	$ (560,061,788)	$ (196,021,626)	-83.8%
Federal and foreign income taxes incurred		1,960,492,247	838.3%
Tax on capital losses		(1,231,838,342)	-526.7%
Change in net deferred taxes		(924,675,531)	-395.4%
Total tax on income items		$ (196,021,626)	-83.8%

E. Tax operating loss carryforwards, tax credits or taxes incurred available for recoupment:

(1) At December 31, 2016, the Company had $212,518,240 net operating loss carryforwards available for tax purposes. There is no net capital loss available for tax purposes. The Company had an alternative minimum tax credit carryover in the amount of $17,781,991.

(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
2016	$ 495,442,179	$ 176,232,433	$ 671,674,612
2015	$ 330,903,007	$ 108,724,820	$ 439,627,827
2014	$ 224,917,053	$ 101,895,661	$ 326,812,714

(3) The Company has no deposits under IRC Section 6603.

F. Federal Income Tax Allocations

(1) The Company files a consolidated federal income tax return with Brooke Life Insurance Company, Jackson National Life Insurance Company of New York, and Squire Reassurance Company II, Inc. (“Squire Re II”).

(2) The Company has entered into written agreements with Jackson National Life Insurance Company of New York, Brooke Life Insurance Company and Squire Re II. These agreements are generally based on separate return calculations. Intercompany balances are settled on a quarterly basis.

G. The Company does not believe that it is reasonably possible that the liability related to any federal or foreign tax loss contingencies will significantly increase within the next 12 months.

10. Information Concerning Parent, Subsidiaries and Affiliates

A., B. & C. During 2016 and 2015, the Company paid dividends of $550,000,000 and $710,000,000, respectively, to its parent, Brooke Life Insurance Company.

The Company has a Master Repurchase Agreement with JNY, which allows for repurchase agreement transactions between the companies, when deemed appropriate. There were no such borrowings during 2016 and 2015. There was no outstanding balance as of December 31, 2016 and 2015. Interest paid during both 2016 and 2015 was nil.

NOTES TO FINANCIAL STATEMENTS

Effective December 31, 2016, Jackson amended its variable annuity ("VA") reinsurance agreement with its subsidiary, Jackson National Life Insurance Company of New York ("Jackson NY").

Prior to the amendment, the agreement ceded to Jackson the guaranteed minimum withdrawal benefit liability associated with VA contracts issued by Jackson NY. The purpose of the amendment is to transfer to Jackson the total VA contract risk associated with the Variable Annuities issued by Jackson NY for better alignment with risk mitigation strategies employed at the parent company level.

The amendment to the treaty allows for 90% of the entire VA contract to be ceded to Jackson on a coinsurance basis (modco for Separate Account liabilities). The amendment covers all existing and future issues of VA contracts issued by Jackson NY.

The contracts reinsured were in force at the transaction date, and Jackson assumed $1,110,509,578 of reserves, offset somewhat by $304,380,676 of CARVM allowance. Due to differences in variable annuity reserve modeling between Jackson and Jackson NY, the transaction resulted in $46,200,675 of income, net of tax, which was reported direct to surplus.

The amendment was approved by the insurance departments of Michigan and New York in 2017, effective December 31, 2016. Accordingly, the net payment of $905,938,895 was reported as receivable from Jackson NY at December 31, 2016. The receivable was settled on February 14, 2017.

Effective December 30, 2016, the Company executed a reserve financing transaction as follows:

1) Jackson ceded $623,282,263 of level premium Term reserves ($17,835,917,564 face value) to its captive subsidiary Squire Reassurance Company II, Inc. ("Squire Re II") under a funds withheld 100% coinsurance treaty. A ceding commission of $319,227,262 was received, equal to the excess of statutory basis reserves over the reserves calculated in accordance with Actuarial Guideline 48 ("AG48 reserves").
2) Squire Re II assumed $623,282,263 of statutory basis reserves, recorded a funds withheld asset of $303,664,244 and a statutory basis pretax loss of $319,121,682.
3) Squire Re II ceded, on a monthly renewable term basis, 80% of the mortality risks ($14,268,734,051 face value) on the business assumed, to Jackson's parent, Brooke Life Insurance Company ("Brooke Life"). Brooke Life recorded reserves of $5,214,759.
4) Squire Re II financed the excess reserves through a surplus note (the "Surplus Note") issued to Brier Capital LLC ("Brier"), in return for a note receivable from Brier (the "Financing Note"). All payments under the Surplus Note are subject to prior approval of the Michigan Department of Insurance and Financial Services. Interest payments due under the Financing Note and the Surplus Note are offset against each other and only the net amounts are due. In conjunction with entering into the financing transaction with Squire Re II, Brier entered into a "swap" agreement, whereby a Bermuda domiciled affiliate of a major international reinsurer ("Bermuda Re") agrees to provide funding to Squire Re II or Jackson in satisfaction of Brier's early redemption payment obligations under the Financing Note (which amounts will not be subject to netting). Under the swap agreement, Bermuda Re is entitled to all payments in respect of the Surplus Note, in each case giving effect to netting of amounts payable under the Financing Note. The outstanding principal on the Financing Note and the Surplus Note, each initially $344,000,000, are expected to increase or decrease in relation to changes in the excess of the statutory reserves over the AG48 reserves.
5) Bermuda Re entered into an agreement (the "Reinsurance Agreement") whereby a U.S. domiciled affiliate of the major international reinsurer ("U.S. Re") assumes all of Bermuda Re's liabilities with respect to all payments owed by Bermuda Re pursuant to the swap agreement. As of December 31, 2016, no payments by Bermuda Re or U.S. Re have been made.
6) Under an endorsement to the Reinsurance Agreement and the master transaction agreement, U.S. Re irrevocably agrees to make any payments it may otherwise owe to Bermuda Re directly to Squire Re II or Jackson, in satisfaction of U.S. Re's obligations to Bermuda Re and Bermuda Re's obligations to Brier. Under a separate agreement, Squire Re II agrees to make any payments it may otherwise owe to Brier directly to U.S. Re, in satisfaction of Brier's obligations to Bermuda Re and Bermuda Re's obligations to U.S. Re. Jackson has agreed to cause financing fees and any early terminations fees due to Bermuda Re or U.S. Re to be paid. The result is that payments under the transaction agreements flow directly between Squire Re II or Jackson on the one hand, and Bermuda Re or U.S. Re on the other.
7) While Brooke Life owns the capital of Brier and appoints Brier's Board, it does not exercise meaningful "control" over Brier. The master transaction agreement between Squire Re II, Brier, U.S. Re and Bermuda Re limits the activities that Brier can perform to those required to execute this transaction. In the event of default, Brier appoints Bermuda Re as its attorney-in-fact to take appropriate action to enforce Brier's rights under the agreements. In the event of default by U.S. Re or Bermuda Re, Brier also appoints Jackson and Squire Re II as its attorneys-in-fact to enforce Brier's rights under the transaction agreements against U.S. Re or Bermuda Re, as applicable.

   As the contracts ceded were inforce at the date of the transaction, the net, after tax, impact of the cession of $319,093,481 was reported direct to surplus by Jackson.

In 2016 and 2015, the Company received membership distributions from Jackson National Asset Management, LLC of $548,500,000 and $524,000,000, respectively.

In 2016, the Company made a net capital contribution of $19,336,873 to its wholly owned subsidiary, Squire Re II.

In 2016, the Company received dividends from its wholly owned subsidiary, Squire Re II, of $57,900,000.

NOTES TO FINANCIAL STATEMENTS

In 2016 and 2015, the Company received dividends from its wholly owned subsidiary, Hermitage LLC, of $3,737,000 and $18,171,378, respectively.

In 2015, the Company received net returns of capital from its wholly owned subsidiary, Hermitage LLC, of $18,328,622.

The Company received dividends of $50,000,000 from its wholly owned subsidiary, Curian Clearing, LLC, in 2016.

Effective September 30, 2015, the Company amended a loan to Curian Capital, LLC, an affiliate, which was due on September 30, 2015. The Company loaned $11,000,000 (LIBOR plus 2.0% notes due June 30, 2016). The loan was paid in full on April 20, 2016. Interest totaled $81,220 and $251,980 during 2016 and 2015, respectively.

D. Other than as discussed in Notes 10A and 14, the Company does not have any other material amounts due from or to related parties as of the date of each balance sheet included in these financial statements that require disclosure.

E. See Note 14 for disclosure of guarantees of related parties.

F. The Company has contracted with PGDS (US ONE) LLC (“PGDS”), a wholly owned subsidiary, to provide certain information technology services. The cost of the services, totaling $134,314,698 and $138,664,141 in 2016 and 2015, respectively, is based on the cost to PGDS.

The Company has contracted to receive investment management services from affiliates PPM America, Inc. and PPM Finance, Inc. The cost of the services was $45,806,634 and $43,628,354 in 2016 and 2015, respectively.

The Company has entered into shared services and administrative agreements with certain affiliates. Under the agreements, the Company allocated $56,775,166 and $65,249,630 of certain management and administrative services expenses to affiliates in 2016 and 2015, respectively.

G. All outstanding shares of the Company are owned by Brooke Life Insurance Company, an insurance company domiciled in the state of Michigan. The Company is a member of the Prudential plc group incorporated in England. The group structure is shown in Schedule Y.

H. The Company does not own any shares of an upstream intermediate entity or ultimate parent, either directly or indirectly, via a downstream subsidiary, controlled or affiliated company.

I. The Company does not have investments in subsidiary, controlled or affiliated companies that exceed 10% of the admitted assets of the Company.

J. In the first quarter of 2014, Jackson commenced a review of Curian Capital, LLC. Refer to Note 21C for additional details. During 2016 and 2015, the Company recognized impairment writedowns of $10,900,000 and $31,000,000, respectively.

During 2015, the Company recognized an impairment writedown on its wholly owned subsidiary, VFL International Life Company SPC, Ltd. of $530,000, which was the amount of its unrealized loss at the time of impairment.

K. The Company does not calculate investments in foreign insurance subsidiaries by adjusting annuity GAAP reserves.

L. The Company does not hold an investment in a downstream noninsurance holding company.

M. The Company does not hold an investment in a subsidiary, controlled and affiliated entity that requires disclosure.

N. Investment in Insurance Subsidiary, Controlled, and Affiliated Entities

The financial statements of the Company’s wholly owned subsidiary, JNY, are presented on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services. The State of New York has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. The reserves of JNY are valued under Continuous CARVM according to New York insurance law, rather than Curtate CARVM according to NAIC SAP. The following table details the monetary effect of the prescribed practice on net income and surplus of JNY, and the amount of the Company’s investment in JNY per the Company’s audited statutory equity and if JNY financial statements had been prepared in accordance with NAIC SAP. The RBC of JNY would not have triggered a regulatory event had it not used the Continuous CARVM prescribed practice according to New York insurance law.

	Monetary Effect on NAIC SAP		Amount of Investment	
SCA Entity (Investments in Insurance SCA Entities)	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements*
Jackson National Life Insurance Company of New York	$ 24,130,420	$ (4,118,474)	$ 475,653,518	$ 479,771,992

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

NOTES TO FINANCIAL STATEMENTS

11. Debt

A. Repurchase agreements are accounted for as collateralized borrowings. Collateral securities sold under such agreements continue to be included in invested assets. Proceeds received from the sale of securities subject to repurchase agreements are included in liabilities. Short-term borrowings under such agreements averaged $278,390,510 and $53,292,844 during 2016 and 2015, respectively, with weighted average interest rates of 0.4% in 2016 and 0.2% in 2015. At December 31, 2016, the outstanding repurchase agreement balance was $411,856,922, collateralized with U.S. Treasury notes and maturing within 30 days. There was no outstanding repurchase agreement balance at December 31, 2015. Interest paid totaled $1,116,799 and $100,722 in 2016 and 2015, respectively.

B. Federal Home Loan Bank ("FHLB") Agreements

(1) The Company is a member of the Federal Home Loan Bank of Indianapolis primarily for the purpose of participating in the bank's mortgage-collateralized loan advance program. Members are required to purchase and hold a minimum amount of FHLB capital stock, plus additional stock based on outstanding advances. Advances are in the form of debt or funding agreements issued to FHLB and held in the general account.

Short-term debt is generally used for liquidity and long-term debt is used to fund qualifying construction projects. Debt is reported in borrowed money in the financial statements. Funding agreements are reported in liability for deposit-type contracts in the financial statements. The Company calculated the maximum borrowing capacity in accordance with current FHLB capital stock and limitations in the FHLB credit policy.

(2) FHLB Capital Stock

	December 31, 2016	December 31, 2015
Membership Stock - Class A	$ -	$ -
Membership Stock - Class B	$ 23,342,300	$ 23,531,800
Activity Stock	$ 83,564,300	$ 65,141,400
Excess Stock	$ 18,485,500	$ 10,575,000
Aggregate Total	$ 125,392,100	$ 99,248,200
Actual or Estimated Borrowing Capacity as Determined by the Insurer	$ 2,745,410,527	$ 2,182,015,000

Membership Stock	Current Year Total	Not Eligible for Redemption	Eligible for Redemption: Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
Class A	$ -	$ -	$ -	$ -	$ -	$ -
Class B	$ 23,342,300	$ 23,342,300	$ -	$ -	$ -	$ -

(3) Collateral Pledged to FHLB

	Total collateral pledged: Fair Value	Carrying Value	Aggregate Total Borrowing
December 31, 2016	$ 3,708,330,039	$ 3,629,074,472	$ 2,375,700,527
December 31, 2015	$ 2,729,734,435	$ 2,639,211,033	$ 1,970,515,000

Maximum Amount Pledged during the Reporting Period

	Fair Value	Carrying Value	Aggregate Total Borrowing
Period ended December 31, 2016	$ 4,222,072,357	$ 4,003,414,153	$ 2,786,490,000
Period ended December 31, 2015	$ 3,159,665,177	$ 3,011,140,298	$ 2,205,515,000

(4) Borrowing from FHLB

	December 31, 2016: Total	December 31, 2016: Funding Agreements Reserves Established	December 31, 2015: Total	December 31, 2015: Funding Agreements Reserves Established
Debt				
Short-term	$ 500,000,000	XXX	$ -	XXX
Long-term	92,460,527	XXX	97,500,000	XXX
Funding Agreements	1,783,240,000	$ 1,783,240,000	1,873,015,000	$ 1,873,015,000
Aggregate Total	$ 2,375,700,527	$ 1,783,240,000	$ 1,970,515,000	$ 1,873,015,000

NOTES TO FINANCIAL STATEMENTS

Maximum Amount Borrowed during the Reporting Period

	2016
Debt	$ 357,600,000
Funding Agreements	2,428,890,000
Aggregate Total	$ 2,786,490,000

Does the company have prepayment obligations under the following arrangements?

Debt	No
Funding Agreements	Yes

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

A. Defined Benefit Plan

The Company does not offer a defined benefit plan.

B., C., & D. The Company does not have classes of defined benefit plan assets.

E. Defined Contribution Plans

The Company has a defined contribution retirement plan covering substantially all employees. To be eligible to participate in the Company's contribution, an employee must have attained the age of 21, completed at least 1,000 hours of service in a 12-month period and passed their 12-month employment anniversary. In addition, the employee must be employed on the applicable January 1 or July 1 entry date. The Company's annual contributions, as declared by the board of directors, are based on a percentage of eligible compensation paid to participating employees during the year. In addition, the Company matches a participant's elective contribution, up to 6 percent of eligible compensation, to the plan during the year. The Company's expense related to this plan was $24,280,033 and $23,462,294 in 2016 and 2015, respectively.

The Company maintains non-qualified voluntary deferred compensation plans for certain agents and employees of Jackson and certain affiliates. At December 31, 2016 and 2015, the liability for such plans totaled $591,907,661 and $539,709,605, respectively. Until December 2015, Jackson invested general account assets in selected mutual funds in amounts similar to participant elections as a hedge against significant movement in the payout liability. During December 2015, the general account mutual fund assets were liquidated, with the equity risk associated with the liabilities being included in Jackson's overall hedge program. The Company's expense related to these plans, including a match of elective deferrals for the agents' deferred compensation plan and the change in value of participant elected deferrals was $37,398,858 and $11,810,279 in 2016 and 2015, respectively.

F. Multiemployer Plans

The Company does not participate in multiemployer plans.

G. Consolidated/Holding Company Plans

The Company does not participate in a plan sponsored by either the parent company or holding company.

H. Postemployment Benefits and Compensated Absences

Postemployment benefits and compensated absences that might exist at December 31, 2016, are accrued in accordance with SSAP No. 11, Postemployment Benefits and Compensated Absences.

I. Impact of Medicare Modernization Act on Postretirement Benefits

There was no impact of the Medicare Modernization Act on Postretirement Benefits.

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

(1) The Company has 50,000,000 shares of common capital stock authorized and 12,000,000 shares issued and outstanding with each share having a par value of $1.15.

(2) The Company does not have preferred stock authorized, issued or outstanding.

(3) Under Michigan insurance law, while Jackson must provide notification to the Michigan commissioner of insurance prior to payment of any dividend, ordinary dividends on capital stock may only be distributed out of earned surplus, excluding any unrealized capital gains and the effect of permitted practices (referred to as adjusted earned surplus). At December 31, 2016, adjusted earned surplus was approximately $1,121,300,000. Ordinary dividends in any twelve month period are also limited to the greater of 10% of statutory surplus as of the preceding year-end, excluding any increase arising from the application of permitted practices, or the statutory net income, excluding any net realized investment gains, for the twelve month period ended on the preceding December 31. The commissioner may approve payment of dividends in excess of these amounts, which would be deemed an extraordinary dividend. The maximum dividend that can be paid in 2017, subject to the availability of earned surplus, without prior approval of the commissioner is approximately $490,500,000.

NOTES TO FINANCIAL STATEMENTS

(4) In May 2016, the Company paid an extraordinary dividend of $450,000,000 to its parent company, Brooke Life Insurance Company. In December 2016, the Company paid ordinary dividends of $100,000,000. In December 2015 and June 2015, the Company paid ordinary dividends of $100,000,000 and $610,000,000, respectively.

(5) Except as noted in (3) above and in Note 1A, there are no prohibitions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) Except as noted in Note 1A, there were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(7) The Company had no advances to surplus.

(8) The Company held no stock, including stock of affiliated companies, for special purposes.

(9) The $57,445,226 decrease in the balance of special surplus funds in 2016 is due to the change in unrealized gains/losses, net of tax, on interest rate swaps per the permitted practice described in Note 1A.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains is $713,419,026.

(11) The Company issued the following surplus debentures or similar obligations:

1	2	3	4	5	6	7	8
Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note	Principal And/Or Interest Paid Current Year	Total Principal And/Or Interest Paid	Unapproved Principal And/Or Interest	Date of Maturity
3/15/1997	8.15%	$ 250,000,000	$ 249,487,778	$ 20,375,000	$ 397,312,500	0	3/15/2027
1311999 Total		$ 250,000,000	$ 249,487,778	$ 20,375,000	$ 397,312,500	0	XXX

The surplus notes in the amount of $250,000,000, listed in the above table, were issued pursuant to Rule 144A under the Securities Act of 1933, underwritten by a syndicate that included Goldman Sachs & Co., J.P. Morgan & Co., and Morgan Stanley & Co., and are administered by Citibank, N.A. as fiscal agent.

The surplus notes have the following repayment conditions and restrictions: Payments of interest or principal may be made only with the prior approval of the commissioner of insurance of the state of Michigan and only out of surplus earnings which the commissioner determines to be available for such payments under Michigan Insurance Law. The surplus notes may not be redeemed at the option of the Company or any holder of the notes prior to maturity.

The surplus notes rank pari passu with any other future surplus, capital or contribution notes of the Company and with all other similarly subordinated claims.

The liquidation preference to the insurer's common shareholder is as follows: In the event that the Parent is subject to such a proceeding, holders of indebtedness, policy claims and prior claims would be afforded a greater priority under the liquidation act and the terms of the Notes and, accordingly, would have the right to be paid in full before any payments of interest or principal are made to Note holders.

(12) The Company was not subject to a quasi-reorganization during the year.

(13) The Company was not subject to a quasi-reorganization in the prior 10 years.

14. Liabilities, Contingencies and Assessments

A. (1) Contingent Commitments

The Company provides a $40,000,000 revolving credit facility to PPM America, Inc. (PPMA), an affiliate. The loan is unsecured, matures on September 9, 2018, accrues interest at LIBOR plus 2% per annum, and has a commitment fee of 0.25% per annum. There was no balance outstanding as of December 31, 2016 or 2015. Interest and commitment fees totaled $100,000 and $133,697 during 2016 and 2015, respectively.

The Company provided a $350,000,000 revolving credit facility to Curian Clearing, LLC, which terminated April 30, 2016. The loan was unsecured, accrued interest at LIBOR plus 2% per annum, and had a commitment fee of 0.10% per annum. There was no balance outstanding at December 31, 2016 or 2015. Interest and commitment fees totaled $123,349 and $292,618 during 2016 and 2015, respectively.

In January of 2016, the Company refinanced a $50,000,000 revolving credit facility to PGDS. The loan is unsecured, matures on January 24, 2018, accrues interest at LIBOR plus 2% per annum, and has a commitment fee of 0.10% per annum. The balance outstanding at both December 31, 2016 and 2015 was $50,000,000. Interest and commitment fees totaled $1,242,398 and $1,091,529 during 2016 and 2015, respectively.

In December of 2015, the Company refinanced a $6,000,000 revolving credit facility to National Planning Holdings, an affiliate. The loan is unsecured, matures on December 31, 2017, accrues interest at LIBOR plus 2% per annum, and has a commitment fee of 0.10% per annum. There was no balance outstanding at December 31, 2016 or 2015. Interest and commitment fees totaled $6,000 during 2016 and 2015.

NOTES TO FINANCIAL STATEMENTS

The Company provides a $20,000,000 revolving credit facility to Brooke Holdings, LLC, an upstream holding company. The loan is unsecured, matures on June 18, 2019, accrues interest at LIBOR plus 2% per annum, and has a commitment fee of 0.25% per annum. The balance outstanding at both December 31, 2016 and December 31, 2015 was $100,000. Interest and commitment fees totaled $52,236 and $51,938 during 2016 and 2015, respectively.

The Company provides a $40,000,000 revolving credit facility to Brooke (Holdco1) Inc., an upstream holding company. The unsecured loan matured on December 14, 2016, accrued interest at 1.27% per annum, and had a commitment fee of 0.10% per annum. Effective December 2016, the credit facility was renewed. The renewed loan matures on December 14, 2021, accrues interest at LIBOR plus 2% per annum, and has a commitment fee of 0.10% per annum. There was no balance outstanding at December 31, 2016 or 2015. Interest and commitment fees totaled $40,000 during both 2016 and 2015.

At December 31, 2016, the Company has unfunded commitments related to its investments in limited partnerships and limited liability companies totaling $574,931,129, including $57,285,501 to limited partnerships and limited liability companies on which the Company has taken an impairment charge, and $248,591,432 related to fixed rate commercial mortgage loans and other fixed maturities.

(2) Guarantees

1 Nature and circumstances of guarantee and key attributes, including date and duration of agreement.	2 Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	3 Ultimate financial statement impact if action under the guarantee is required.	4 Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	5 Current status of payment or performance of risk of guarantee. Also provide additional discussion as warranted.
Guarantee for policyholder obligations of its wholly owned life insurance subsidiary, Jackson National Life Insurance Company of New York (Jackson New York)	Exception allowed under SSAP No. 5R, paragraph 17f.	This guarantee is not expected to result in future required payments by the Company and is not considered to result in a material contingent exposure of the Company's assets to liability because the Company and Jackson New York share the same management and Jackson New York is subject to the regulatory supervision of the state of New York.	The maximum potential amount of future payments cannot be estimated as Jackson New York continues to write new business.	

(3) The guaranty is for a wholly owned subsidiary that is still operating. As such, no liability for the guaranty has been recorded and the maximum potential amount of future payments cannot be estimated.

B. Assessments

The Company is unaware of assessments that would have a material impact on its financial position or results of operations.

C. Gain Contingencies

The Company does not recognize gain contingencies except as provided under SSAP No. 5R, Liabilities, Contingencies and Impairments of Assets - Revised. The Company did not realize a gain subsequent to the balance sheet date but prior to the issuance of the financial statements that requires disclosure.

D. Claims related to extra contractual obligation and bad faith losses stemming from lawsuits

The Company did not make payments in the reporting period to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

E. Joint and Several Liabilities

The Company does not have joint and several liabilities.

NOTES TO FINANCIAL STATEMENTS

F. All Other Contingencies

The Company is involved in litigation arising in the ordinary course of business. It is the opinion of management that the ultimate disposition of such litigation will not have a material adverse effect on the Company's financial condition or results of operations. The Company has been named in civil litigation proceedings which appear to be substantially similar to other class action litigation brought against many life insurers alleging misconduct in the sale or administration of insurance products. The Company generally accrues for legal contingencies once the contingency is deemed to be probable and estimable. Accordingly, at December 31, 2016 and 2015, the Company recorded accruals totaling $1,909,189 and $9,509,443, respectively.

Effective March 1, 2009, the Company (as successor to merger with REALIC) entered into an administrative services agreement with a vendor who will provide policyholder administrative services. Subject to certain termination provisions, the agreement is for a ten year period.

Effective December 1, 2003, the Company (as successor to merger with REALIC) entered into an administrative services agreement with a vendor who will provide policyholder administrative services. Subject to certain termination provisions, the original ten year term was extended by amendment effective July 1, 2010 to provide for services through July 1, 2020.

15. Leases

A. Lessee Operating Leases

(1) The Company leases office space, land and equipment under operating leases that expire at various dates through 2051. Certain leases include escalating lease rates and, as a result, at December 31, 2016, the Company recorded a liability of $5,562,033 for future lease payments. Lease expense was $31,315,928 and $33,105,355 for 2016 and 2015, respectively.

The Company subleases office space under several operating leases that expire at various dates through 2020. Total future lease income to be received on the subleased property is $111,700. Lease income for the subleased property totaled $26,850 and $26,400 in 2016 and 2015, respectively.

(2) At January 1, 2017, the minimum aggregate rental commitments are as follows:

2017	$	20,040,837
2018		17,361,460
2019		14,429,720
2020		12,259,107
2021		9,234,359
Thereafter		23,122,026
Total	$	96,447,509

(3) The Company is not involved in sales-leaseback transactions.

B. Lessor Leases

Leasing is not a significant part of the Company's business activities.

16. . Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

(1) The table below summarizes the aggregate contractual or notional amounts for the Company's financial instruments, including those with off-balance sheet risk:

		Assets		Liabilities	
		2016	2015	2016	2015
a.	Swaps	$ 20,582,297,329	$ 21,110,530,000	$ -	$ -
b.	Futures	14,748,750	6,323,750	-	-
c.	Options	64,750,000,000	89,500,000,000	7,000,000,000	8,500,000,000
d	Total	85,347,046,079	110,616,853,750	7,000,000,000	8,500,000,000

See Schedule DB for additional details.

(2) See Note 8.A. for a description of the credit risk, market risk and cash requirements of these financial instruments.

(3) The Company manages the potential credit exposure for over-the-counter derivative contracts through careful evaluation of the counterparty credit standing, collateral agreements, and master netting agreements. The Company is exposed to credit-related losses in the event of nonperformance by counterparties to financial instruments; however, the Company does not anticipate nonperformance given the counterparties' high credit ratings. The credit exposure of derivatives is represented by the fair value of contracts with a positive fair value at the reporting date. Ultimately, this exposure is reduced by any offsetting positions with, and collateral posted by, counterparties. See Schedule DB – Part D – Section 1 for the net counterparty credit exposure as of December 31, 2016. There were no losses as a result of derivative counterparty nonperformance during 2016.

Futures transactions are effected through regulated exchanges and positions are marked to market and settled in cash on a daily basis. As such, the Company has little exposure to counterparty credit-related losses for exchange-traded derivatives.

NOTES TO FINANCIAL STATEMENTS

B. All of the Company's over-the-counter financial derivative counterparty master agreements contain netting provisions allowing for the offset of contractual payments due from and due to counterparties. To the extent that the net market value of aggregate contracts with individual counterparties exceeds established threshold amounts, collateral posting in favor of the exposed party is required. Collateral posted must be high quality, liquid securities or cash as dictated by the agreements.

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

A. Transfers of Receivables Reported as Sales

No transfers as described by SSAP No. 42, Sale of Premium Receivables, have occurred during the year.

B. Transfer and Servicing of Financial Assets

The Company has entered into securities lending agreements with agent banks, for the purpose of earning fees, whereby blocks of securities are loaned to third parties, primarily major brokerage firms. As of December 31, 2016, the estimated fair value of loaned securities was $105,538,910. The agreements require collateral with a minimum fair value of 102 percent of the fair value of the loaned securities, calculated on a daily basis. To further minimize the credit risks related to these programs, the financial condition of the counterparties is monitored by the agent banks on a regular basis. Cash collateral received is invested by the agent banks for the benefit of the Company and is included on the balance sheet. Securities for which all or a portion of Jackson's holdings have been loaned are identified in Schedule D with the designation "LS".

C. Wash Sales

No reportable wash sales have occurred during the year.

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

There was no gain or loss from uninsured A&H plans and the uninsured portion of partially insured plans.

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

There was no direct premium written or produced by managing general agents or third party administrators.

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Description	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Bonds:				
Residential mortgage-backed securities	$ -	$ -	$ -	$ -
Government bonds	-	92,000	-	92,000
Common stock	137,545,202	275,081,064	110,906	412,737,172
Other invested assets	-	-	1,210,471,316	1,210,471,316
Derivative instruments (a)	-	352,637,973	18,970,394	371,608,367
Separate account assets	-	139,153,016,042	-	139,153,016,042
Total assets at fair value	$ 137,545,202	$ 139,780,827,079	$ 1,229,552,616	$ 141,147,924,897
Liabilities at fair value:				
Derivative instruments	$ -	$ 20,249,242	$ -	$ 20,249,242

(a) Excludes interest rate swaps measured on a cost basis in accordance with the permitted practice (see Note 1).

There were no significant amounts transferred into or out of Level 1, Level 2, or Level 3 during the period.

(2) Fair Value Measurements in Level 3 of the Fair Value hierarchy

Description	Balance at 1/1/2016	Transfers in Level 3	Transfers out Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31/2016
Commercial mortgage-backed securities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Common stock	110,906	-	-	-	-	-	-	-	-	110,906
Other invested assets	1,198,805,480	-	(8,698,602)	(52,005,388)	38,100,399	179,030,297	-	(144,760,870)	-	1,210,471,316
Derivative instruments	97,351,475	-	-	(124,452,495)	7,348,607	39,572,807	-	(850,000)	-	18,970,394
Total	$ 1,296,267,861	$ -	$(8,698,602)	$ (176,457,883)	$ 45,449,006	$218,603,104	$ -	$(145,610,870)	$ -	$ 1,229,552,616

(3) The Company's policy for determining and disclosing transfers between levels is to recognize transfers using beginning of-period balances.

NOTES TO FINANCIAL STATEMENTS

(4) *Fixed Maturity and Trading Securities*

The fair values for fixed maturity and equity securities are determined by management using information available from independent pricing services, broker-dealer quotes, or internally derived estimates. Priority is given to publicly available prices from independent sources, when available. Securities for which the independent pricing service does not provide a quotation are either submitted to independent broker-dealers for prices or priced internally. Typical inputs used by these three pricing methods include, but are not limited to, reported trades, benchmark yields, credit spreads, liquidity premiums, and/or estimated cash flows based on default and prepayment assumptions.

As a result of typical trading volumes and the lack of specific quoted market prices for most fixed maturities, independent pricing services will normally derive the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available market observable information as outlined above. If there are no recently reported trades, the independent pricing services and brokers may use matrix or pricing model processes to develop a security price where future cash flow expectations are developed based upon collateral performance and discounted at relevant market rates. Certain securities are priced using broker-dealer quotes, which may utilize proprietary inputs and models. Additionally, the majority of these quotes are non-binding.

Included in the pricing of asset-backed securities are estimates of the rate of future prepayments of principal over the remaining life of the securities. Such estimates are derived based on the characteristics of the underlying structure and prepayment assumptions believed to be relevant for the underlying collateral. Actual prepayment experience may vary from these estimates.

Internally derived estimates may be used to develop a fair value for securities for which the Company is unable to obtain either a reliable price from an independent pricing service or a suitable broker-dealer quote. These estimates may incorporate Level 2 and Level 3 inputs and are generally derived using expected future cash flows, discounted at market interest rates available from market sources based on the credit quality and duration of the instrument to determine fair value. For securities that may not be reliably priced using these internally developed pricing models, a fair value may be estimated using indicative market prices. These prices are indicative of an exit price, but the assumptions used to establish the fair value may not be observable or corroborated by market observable information and, therefore, are considered to be Level 3 inputs.

The Company performs a monthly analysis on the prices and credit spreads received from third parties to ensure that the prices represent a reasonable estimate of the fair value. This process involves quantitative and qualitative analysis and is overseen by investment and accounting professionals. Examples of procedures performed include, but are not limited to, initial and on-going review of third party pricing service methodologies, review of pricing statistics and trends, back testing recent trades and monitoring of trading volumes. In addition, the Company considers whether prices received from independent brokers represent a reasonable estimate of fair value through the use of internal and external cash flow models, which are developed based on spreads and, when available, market indices. As a result of this analysis, if the Company determines there is a more appropriate fair value based upon the available market data, the price received from the third party may be adjusted accordingly.

For those securities that were internally valued at December 31, 2016 and 2015, an internally developed model was used to determine the fair value. The pricing model used by the Company utilizes current spread levels of similarly rated securities to determine the market discount rate for the security. Furthermore, appropriate risk premiums for illiquidity and non-performance are incorporated in the discount rate. Cash flows, as estimated by the Company using issuer-specific default statistics and prepayment assumptions, are discounted to determine an estimated fair value.

On an ongoing basis, the Company reviews the independent pricing services' valuation methodologies and related inputs, and evaluates the various types of securities in its investment portfolio to determine an appropriate fair value hierarchy distribution based upon trading activity and the observability of market inputs. Based on the results of this evaluation, each price is classified into Level 1, 2, or 3. Most prices provided by independent pricing services, including broker quotes, are classified into Level 2 due to their use of market observable inputs.

Other Invested Assets
Other invested assets include investments in limited partnerships and real estate. Fair value for limited partnerships is determined by using the proportion of Jackson's investment in each fund (NAV equivalent) as a practical expedient for fair value. No adjustments to these amounts were deemed necessary at December 31, 2016.

Derivative Instruments
Fair value of derivative instruments reflects the estimated amounts, net of payment accruals, which the Company would receive or pay upon sale or termination of the contracts at the reporting date. Derivatives priced using valuation models incorporate inputs that are predominantly observable in the market. Inputs used to value derivatives include, but are not limited to, interest rate swap curves, credit spreads, interest rates, counterparty credit risk, equity volatility and equity index levels.

Derivative instruments classified as Level 1 include futures, which are traded on active exchanges.

Derivative instruments classified as Level 2 include interest rate swaps, cross currency swaps, credit default swaps, put swaptions and equity index call and put options. These derivative valuations are determined using pricing models with inputs that are observable in the market or can be derived principally from, or corroborated by, observable market data.

Derivative instruments classified as Level 3 include interest rate contingent options that are valued by third-party pricing services utilizing significant unobservable inputs.

NOTES TO FINANCIAL STATEMENTS

Fair Values of Separate Account Assets and Liabilities
Separate account assets are invested in mutual funds, which are categorized as Level 2 assets. The value of separate account liabilities are set equal to the value of separate account assets.

(5) For derivative assets and liabilities, see paragraphs 1 and 2 for fair value and reconciliation disclosures on a net basis.

B. The Company provides additional fair value information in Note 5.

C. The following table details the aggregate fair value of the Company's financial instruments:

December 31, 2016

Description	Aggregate Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable Carrying Value
(in thousands)						
Assets at fair value:						
Bonds	$ 47,996,773,442	$ 46,228,419,021	$ 6,208,642,120	$ 41,788,127,334	$ 3,988	$ -
Preferred stock	2,218,857	146,686	2,218,840	-	17	-
Common stock	412,737,172	412,737,172	137,545,202	275,081,064	110,906	-
Commercial mortgages	7,548,757,886	7,480,129,619	-	-	7,548,757,886	-
Cash and cash equivalents	(203,416,022)	(203,416,022)	(203,416,022)	-	-	-
Short-term investments	790,028,384	790,028,384	790,028,384	-	-	-
Policy loans	4,420,560,663	4,420,560,663	-	-	4,420,560,663	-
Derivative instruments	971,579,812	371,608,367	-	952,609,418	18,970,394	-
Other invested assets	1,210,471,316	1,210,471,316	-	-	1,210,471,316	-
Securities lending assets	108,864,505	108,864,505	108,864,505	-	-	
Separate account assets	139,153,016,042	139,153,016,042	-	139,153,016,042	-	-
Total assets at fair value	$ 202,411,592,057	$ 199,972,565,753	$ 7,043,883,029	$ 182,168,833,858	$ 13,198,875,170	$ -
Liabilities at fair value:						
Reserves for life insurance and annuities (1)	$ -	$ -	$ -	$ -	$ -	$ -
Liability for deposit-type contracts	-	-	-	-	-	-
Funds held under reinsurance treaties	3,826,770,417	3,812,315,302	-	-	3,826,770,417	-
Securities lending liabilities	108,864,505	108,864,505	-	108,864,505	-	-
Separate account liabilities	139,153,016,042	139,153,016,042	-	139,153,016,042	-	-
Repurchase agreements	411,856,922	411,856,922	-	411,856,922	-	-
Derivative instruments	20,249,242	20,249,242	-	20,249,242	-	-
Debt	592,548,589	592,548,589	-	592,548,589	-	-
Total liabilities at fair value	$ 144,113,305,717	$ 144,098,850,602	$ -	$ 140,286,535,300	$ 3,826,770,417	$ -

December 31, 2015

Description	Aggregate Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable Carrying Value
(in thousands)						
Assets at fair value:						
Bonds	$ 47,964,611,982	$ 46,029,935,030	$ 5,143,090,411	$ 42,814,925,536	$ 6,596,035	$ -
Preferred stock	2,154,853	382,120	2,154,836	-	17	-
Common stock	245,304,219	245,304,219	122,407,644	122,785,669	110,906	-
Commercial mortgages	6,579,867,941	6,431,161,683	-	-	6,579,867,941	-
Cash and cash equivalents	(186,665,239)	(186,665,239)	(186,665,239)	-	-	-
Short-term investments	963,628,956	963,628,956	963,628,956	-	-	-
Policy loans	4,373,447,233	4,373,447,233	-	-	4,373,447,233	-
Derivative instruments	935,392,868	387,563,726	-	838,041,393	97,351,475	-
Other invested assets	1,198,805,480	1,198,805,480	-	-	1,198,805,480	-
Securities lending assets	269,980,932	269,980,932	269,980,932	-	-	
Separate account assets	125,642,735,258	125,642,735,258	-	125,642,735,258	-	-
Total assets at fair value	$ 187,989,264,483	$ 185,356,279,398	$ 6,314,597,540	$ 169,418,487,856	$ 12,256,179,087	$ -
Liabilities at fair value:						
Reserves for life insurance and annuities (1)	$ 40,949,572,845	$ 36,425,163,598	$ -	$ 1,167,978,980	$ 39,781,593,865	$ -
Liability for deposit-type contracts	7,240,001,073	7,162,043,990	-	-	7,240,001,073	-
Funds held under reinsurance treaties	3,459,644,848	3,443,280,992	-	-	3,459,644,848	-
Securities lending liabilities	269,980,932	269,980,932	-	269,980,932	-	-
Separate account liabilities	125,642,735,258	125,642,735,258	-	125,642,735,258	-	-
Derivative instruments	(30,487,585)	(30,487,585)	-	(30,487,585)	-	-
Debt	97,512,289	97,512,289	-	97,512,289	-	-
Total liabilities at fair value	$ 177,628,959,660	$ 173,010,229,474	$ -	$ 127,147,719,874	$ 50,481,239,786	$ -

(1) Annuity reserves represent only the components of deposits on investment contracts that are considered to be financial instruments.

D. At December 31, 2016 and 2015, the Company had no financial instruments where it was not practicable to estimate fair value.

21. Other Items

A. Extraordinary Items

The Company did not have an extraordinary event or transaction during the year.

B. Troubled Debt Restructuring

The Company did not restructure its debt during the year.

C. Other Disclosures and Unusual Items

At December 31, 2016 and 2015, the Company has recorded $400,000,000 and $1,000,000,000, respectively, of additional voluntary variable annuity guaranteed benefit reserves in excess of those required under minimum statutory standards as defined in Actuarial Guideline XLIII, to partially mitigate the market risk component of the risk based capital ("RBC") calculation as determined under C-3 Phase II. These reserves are included in Exhibit 5.

The Company had previously received regulatory inquiries on an industry-wide matter regarding claims settlement practices and compliance with unclaimed property laws. During 2016 and 2015, Jackson has reached agreements to settle issues related to these inquiries. At December 31, 2016 and 2015, the estimated accrual for claims, penalties and interest on the unclaimed property matters is approximately $16,061,000 and $24,336,000, respectively.

NOTES TO FINANCIAL STATEMENTS

In 2014, Jackson commenced a review of its wholly owned subsidiaries (Curian Capital, LLC and Curian Clearing, LLC). During its review, Jackson discovered that Curian Capital's receipt of certain fees may have been inconsistent with applicable regulations. Jackson promptly reported these issues to regulatory authorities and retained independent outside legal counsel to conduct a thorough investigation. In 2015, Jackson announced that Curian Capital would no longer accept new business effective July 31, 2015. In February 2016, the Curian Capital separately managed account program terminated and in October 2016, Curian Capital de-registered as an SEC regulated investment advisor. As of December 31, 2016, Curian Capital had recorded cumulative expenses of $105,098,781 related to actual expenses incurred/customer payments, as well as exit costs. At December 31, 2016 and 2015, the Company had a liability of $630,605 and $8,625,302 for currently estimable outstanding exposures related to these issues, respectively. The reserve represents Jackson's best estimate of the outstanding exposure as of December 31, 2016. Continuing work and regulatory discussions may result in future expenses, which are not estimable at this time. Based on current information, however, management believes that any additional exposure is unlikely to be material to Jackson. During 2016 and 2015, the Company recognized impairment writedowns of $10,900,000 and $31,000,000, respectively, on Curian Capital.

The Company does not have any other unusual items that require disclosure.

D. Business Interruption Insurance Recoveries

The Company does not have business interruption insurance recoveries that require disclosure.

E. State Transferable or Non-transferable Tax Credits

The Company does not have any state transferable or non-transferable tax credits that require disclosure.

F. Subprime Mortgage Related Risk Exposure

(1) The Company defines exposure to subprime mortgage related risk as investments in securities collateralized by mortgage loans in which the borrower has a FICO score of 680 or lower.

The Company mitigates subprime risk exposure by placing limits on the aggregate amount of these investments as well as the amount of non-AAA subprime investments. The current holdings of subprime collateralized mortgage-backed securities are AAA-rated and in senior tranches, with collateral consisting of primarily fixed-rate and first-lien mortgages.

(2) The Company has no direct exposure through investments in subprime mortgage loans.

(3) The following table summarizes the Company's direct exposure through investments in subprime RMBS at December 31, 2016:

	Actual Cost	Book Adjusted Carrying Value	Fair Value	Other-than-temporary Impairment Losses
Residential mortgage-backed securities	$ 206,693,169	$ 206,395,117	$ 211,232,307	$ 17,615,069

(4) The Company has no underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

G. Retained Assets

(1) The liability for retained asset accounts is reported in the financial statements as supplemental contracts without life contingencies within Exhibit 7. Depending on the type of business, interest rates paid to retained asset account holders during the year for accounts administered on behalf of Jackson were either 0.5% or 1%. For accounts that didn't meet minimum balance requirements, rates were 0.0% or 0.5%. The rates for each account type remained constant for the entire year. There are no service or maintenance fees charged on the retained asset accounts; however, minimal fees are charged for NSF checks, stop payment orders, etc. In certain states in which we conduct business, retained asset accounts are the default method of settling insurance claims.

(2) The following chart summarizes, by the number of months outstanding, the number and balance of retained asset accounts in force:

	In Force			
	December 31, 2016		December 31, 2015	
	Number	Balance	Number	Balance
a. Up to and including 12 Months	242	$ 11,628,417	237	$ 13,353,453
b. 13 to 24 Months	157	7,648,595	239	7,712,721
c. 25 to 36 Months	192	6,364,636	660	19,265,162
d. 37 to 48 Months	550	15,402,330	953	32,778,901
e. 49 to 60 Months	817	26,913,558	1,654	63,537,652
f. Over 60 Months	9,575	263,659,868	9,311	234,398,057
g. Total	11,533	$ 331,617,404	13,054	$ 371,045,946

NOTES TO FINANCIAL STATEMENTS

(3) The following chart provides a rollforward of retained asset accounts for 2016:

	Individual		Group	
	Number	Balance/ Amount	Number	Balance/ Amount
a. Balance at January 1, 2016	13,054	$ 371,045,946	-	$ -
b. Accounts issued/added	373	30,431,875	-	-
c. Investment earnings credited	-	3,519,584		-
d. Fees and other charges assessed	-	(347)		-
e. Transferred to state unclaimed property funds	(39)	(476,203)	-	-
f. Accounts closed/withdrawn	(1,855)	(72,903,450)	-	-
g. Balance at December 31, 2016	11,533	$ 331,617,405	-	$ -

H. Insurance-Linked Securities (ILS) Contracts

The Company does not have insurance-linked securities contracts.

22. Events Subsequent

The Company is not aware of any events occurring subsequent to the balance sheet date which require disclosure to keep the financial statements from being misleading or that may have a material effect on the financial condition of the Company.

The Company does not issue health insurance, and therefore, does not have risk sharing provisions of the Affordable Care Act reflected in special surplus.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

(1) None of the reinsurers, listed in Schedule S as non-affiliated, are 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.

(2) None of the policies issued by the Company have 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.

Section 2 - Ceded Reinsurance Report - Part A

(1) The Company does not have 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.

(2) The Company does not have 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 that, 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.

Section 3 - Ceded Reinsurance Report - Part B

(1) The estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) from termination of all reinsurance agreements, by either party, as of the date of this statement, is $0.

(2) Except as described in Note 10A, the Company has not executed any new agreements or amended existing agreements, since January 1 of the year of this statement, to include policies or contracts that were in force or for which had existing reserves established by the Company as of the effective date of the agreement.

B. Uncollectible Reinsurance

The Company did not write off reinsurance balances due from reinsurers.

C. Commutation of Ceded Reinsurance

The Company did not commute reinsurance during the period covered by this annual statement.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

The Company does not cede reinsurance transactions to a certified reinsurer whose rating was downgraded or whose status is subject to revocation.

NOTES TO FINANCIAL STATEMENTS

E.,F. Reinsurance of Variable Annuity Contracts with an Affiliated Captive Reinsurer

The Company does not reinsure variable annuity contracts with an affiliated captive reinsurer.

G. Ceding Entities That Utilize Captive Reinsurers to Assume Reserves Subject to XXX/AXXX Captive Framework

(1) The Company does not have captive reinsurers for which a risk-based capital shortfall exists for the reporting period.

(2) The Company does not have captive reinsurers for which a non-zero Primary Security Shortfall exists for the reporting period.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company is not a party to retrospectively rated contracts or contracts subject to redetermination. In addition, the Company does not issue health insurance, and therefore, does not have premium subject to the risk sharing provisions of the Affordable Care Act.

25. Change in Incurred Losses and Loss Adjustment Expenses

The Company does not have incurred losses or loss adjustment expenses that require disclosure.

26. Intercompany Pooling Arrangements

The Company is not part of a group of affiliated insurers that utilizes a pooling arrangement.

27. Structured Settlements

The Company does not have structured settlements that require disclosure.

28. Health Care Receivables

The Company does not have health care receivables that require disclosure.

29. Participating Policies

For the year ended 2016, the Company's participating policies represented less than 1% of total inforce. The Company accounts for its policyholder dividends based upon recent experience factors. In 2016, the Company paid dividends in the amount of $11,038,230 to policyholders and incurred $111,713 of additional contract benefits related to certain participating policies.

30. Premium Deficiency Reserves

The Company does not have accident and health or property/casualty premium deficiency reserves.

31. Reserves for Life Contracts and Annuity Contracts

(1) The Company waives deduction of deferred fractional premiums upon death of the insured and returns premiums paid and due beyond the date of death. A reserve is held where a surrender value is promised in excess of the minimum required basic reserves. The excess required value has been established as a reserve in Exhibit 5, Miscellaneous Reserves Section.

(2) For policies issued on substandard lives, either the gross premiums are calculated on a rated age basis, or an extra premium is charged in addition to the standard premium at the true issue age. Mean reserves are calculated as the regular mean reserve for the plan at the rated age, the regular mean reserve for the plan at the true issue age plus one-half (1/2) of the extra premium charged, or a substandard reserve based on the appropriate multiple of the standard.

(3) As of December 31, 2016, the Company had $19,834,030,058 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the state of Michigan. Reserves to cover the above insurance totaled the gross amount of $252,490,109 at year-end and are reported in Exhibit 5, Life Insurance and Annuities section.

(4) The Tabular Interest (Page 7, Line 4), the Tabular Less Actual Reserve Released (Page 7, Line 5), and the Tabular Cost (Page 7, Line 9) have been determined by formula as described in the instructions for Page 7, except that for some Universal Life and Single Premium Whole Life policies, the figures have been determined from the basic data for the calculation of policy reserves.

(5) Tabular Interest on funds not involving life contingencies (Exhibit 7, Line 3) has been determined from the basic data for the calculation of policy reserves.

(6) The Company has Universal Life products with secondary guarantees, issued on and after July 1, 2005. At December 31, 2016, the Company calculated reserves on these policies using minimum gross premiums determined by applying the set of charges and credits that produces the lowest premiums, regardless of the imposition of constraints, contingencies, or conditions that would otherwise limit the application of those credits and charges.

NOTES TO FINANCIAL STATEMENTS

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

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretionary withdrawal:					
1. With market value adjustment	$ 3,931,040,611	$ 6,956,370	$ -	$ 3,937,996,981	2.2%
2. At book value less surrender charge of 5% or more	10,542,806,211	-	-	10,542,806,211	5.9%
3. At fair value	-	-	133,495,766,591	133,495,766,591	74.1%
4. Total with market value adjustment or at fair value	14,473,846,822	6,956,370	133,495,766,591	147,976,569,783	82.1%
5. At book value without adjustment (minimal or no charge or adjustment)	22,972,154,238	-	-	22,972,154,238	12.7%
B. Not subject to discretionary withdrawal	9,175,185,581	-	58,191,606	9,233,377,187	5.1%
C. Total (gross)	46,621,186,641	6,956,370	133,553,958,197	180,182,101,208	100.0%
D. Reinsurance Ceded	308,075,239	-	-	308,075,239	
E. Total (net) (C) - (D)	$ 46,313,111,402	$ 6,956,370	$ 133,553,958,197	$ 179,874,025,969	

F. Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

Life & Accident & Health Annual Statement:		
1.	Exhibit 5, Annuities Section, Total (net)	$ 37,867,297,100
2.	Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	49,829,924
3.	Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	8,395,984,380
4.	Subtotal	46,313,111,404
Separate Accounts Annual Statement:		
5.	Exhibit 3, Line 0299999, Column 2	$ 133,528,463,675
6.	Exhibit 3, Line 0399999, Column 2	-
7.	Policyholder dividend and coupon accumulations	-
8.	Policyholder premiums	-
9.	Guaranteed interest contracts	-
10.	Other contract deposit funds	32,450,890
11.	Subtotal	133,560,914,565
12	Combined Total	$ 179,874,025,969

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:

	Type	Gross	Net of Loading
(1)	Industrial	$ 4,977	$ 2,286
(2)	Ordinary new business	250,599	115,854
(3)	Ordinary renewal	93,084,379	79,936,360
(4)	Credit Life	-	-
(5)	Group Life	400,584	317,135
(6)	Group Annuity	-	-
(7)	Totals	$ 93,740,539	$ 80,371,635

NOTES TO FINANCIAL STATEMENTS

34. Separate Accounts

A. General Nature and Characteristics of Separate Accounts Business:

The Company maintains Separate Accounts as funding vehicles for certain individual flexible premium variable annuity and variable life contracts issued by the Company. Additionally, the Company maintains a separate account as the funding vehicle for the group variable annuity contract issued to the Company's Defined Contribution Plan. The assets of the Separate Accounts are carried at market value. The reserves for minimum guaranteed death benefit, minimum guaranteed income benefit, minimum guaranteed withdrawal benefit and minimum guaranteed accumulation benefit are held in Exhibit 5, Section G of the Company's general account annual statement. This business has been included in column 4 of the table below. Information regarding the separate accounts of the Company is as follows:

B.

	Index	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	Total
(1) Premiums, considerations or deposits for year-ended 12/31/16	$ -	$ -	$ -	$ 12,760,783,725	$ 12,760,783,725
Reserves at 12/31/16					
(2) For accounts with assets at:					
a. Fair value	$ -	$ 4,973,774	$ 2,247,006	$ 133,638,487,011	$ 133,645,707,791
b. Amortized cost	-	424,163	-	-	424,163
c. Total Reserves*	$ -	$ 5,397,937	$ 2,247,006	$ 133,638,487,011	$ 133,646,131,954
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal	$ -	$ -	$ -	$ -	$ -
1. With market value adjustment	-	5,397,937	2,247,006	-	7,644,943
2. At book value without market value adjustment and with current surrender charge of 5% or more	-	-	-	-	-
3. At fair value	-	-	-	133,580,295,405	133,580,295,405
4. At book value without market value adjustment and with current surrender charge less than 5%	-	-	-	-	-
5. Subtotal	-	5,397,937	2,247,006	133,580,295,405	133,587,940,348
b. Not subject to discretionary withdrawal	-	-	-	58,191,606	58,191,606
c. Total	$ -	$ 5,397,937	$ 2,247,006	$ 133,638,487,011	$ 133,646,131,954
*Line 2(c) should equal Line 3(c).					
(4) Reserves for Asset Default Risk In Lieu of AVR	$ -	$ -	$ -	$ -	$ -

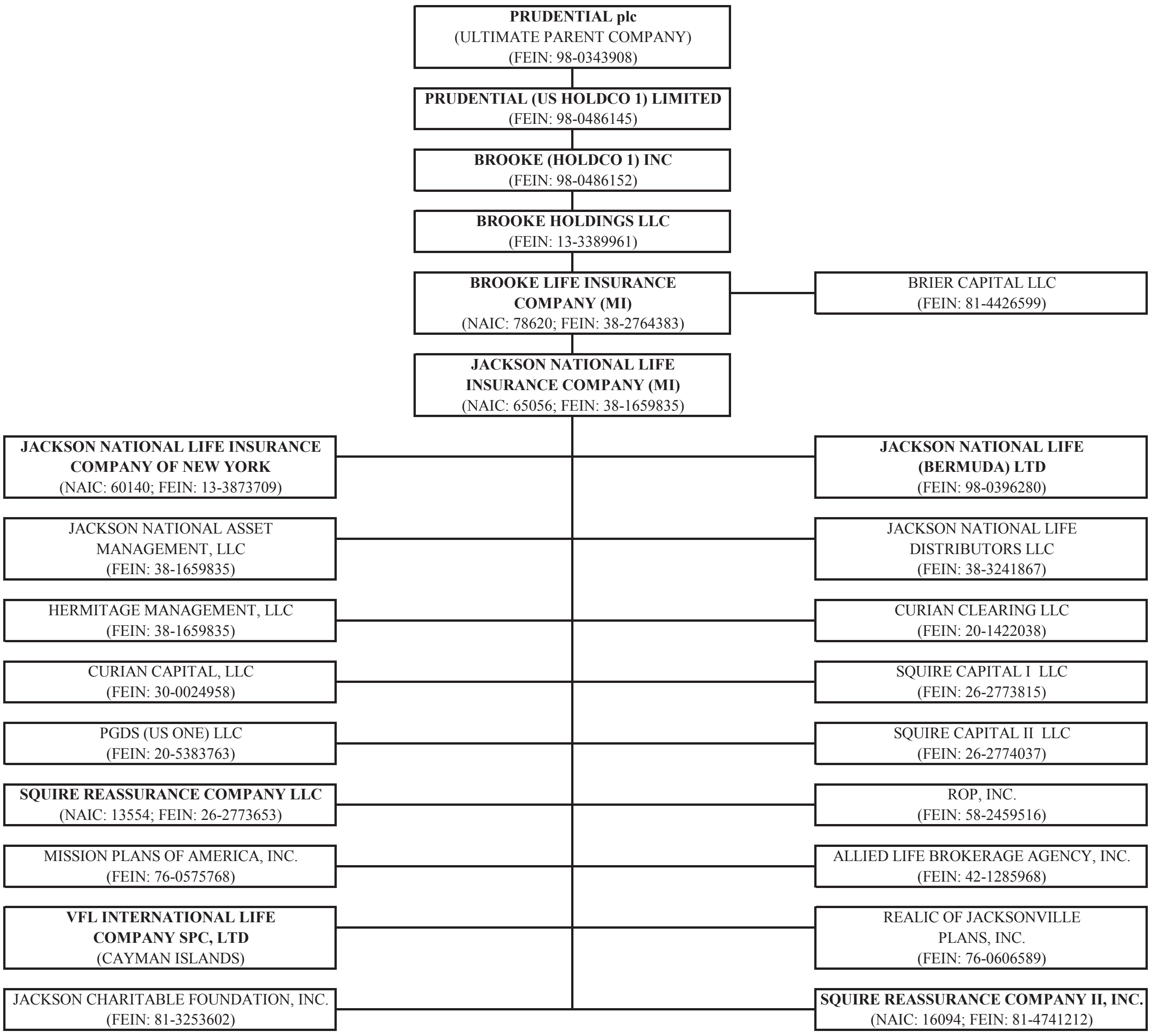
C. Reconciliation of Net Transfers To or (From) Separate Accounts

(1)	a. Transfers to Separate Accounts (Page 4, Line 1.4)	$ 14,401,965,681
	b. Transfers from Separate Accounts (Page 4, Line 10)	(7,610,059,491)
	c. Net transfers to or (from) Separate Accounts (a) - (b)	$ 6,791,906,190
(2)	Reconciling Adjustments:	
	a. Benefit Fees (Guaranteed Minimum Income/Withdrawal) and Other	$ (1,656,188,808)
	b. Term Certain	229,394,574
(3)	Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) = (Page 4, Line 26)	$ 5,365,111,956

35. Loss/Claim Adjustment Expenses

The Company does not have loss/claim adjustment expenses that require disclosure.

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



OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
2504. Goodwill and value of business acquired	278,391,741	0	278,391,741	327,519,696
2505. ING indemnification receivable	0	0	0	369,000
2506. Prepaid operating expenses	8,330,292	8,330,292	0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	286,722,033	8,330,292	278,391,741	327,888,696

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Interest payable on death claims	46,570,157	65,064,662
2505. Interest payable - surplus note	5,999,306	5,999,306
2506. Investment escrow & unallocated proceeds	28,453,108	9,968,482
2507. Other contingency reserves	0	369,000
2508. Repurchase agreements	411,856,922	0
2509. Unclaimed property	67,629,581	70,028,683
2510. Collateral payable	132,482,675	170,291,235
2597. Summary of remaining write-ins for Line 25 from overflow page	692,991,749	321,721,368

Additional Write-ins for Summary of Operations Line 8.3

	1 Current Year	2 Prior Year
08.304. Reinsurance experience and other refunds	1,968,263	283,042
08.305. MTN redemption fees	0	2,000
08.397. Summary of remaining write-ins for Line 8.3 from overflow page	1,968,263	285,042

Additional Write-ins for Summary of Operations Line 27

	1 Current Year	2 Prior Year
2704. Reinsurance on in-force business	365,294,158	0
2797. Summary of remaining write-ins for Line 27 from overflow page	365,294,158	0

Additional Write-ins for Exhibit 2 Line 9.3

	Insurance 1 Life	Accident and Health 2 Cost Containment	Accident and Health 3 All Other	4 All Other Lines of Business	5 Investment	6 Total
09.304. Consultants	8,414,416	0	0	0	10,645	8,425,061
09.397. Summary of remaining write-ins for Line 9.3 from overflow page	8,414,416	0	0	0	10,645	8,425,061

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Prepaid operating expenses	8,330,292	4,965,043	(3,365,249)
2597. Summary of remaining write-ins for Line 25 from overflow page	8,330,292	4,965,043	(3,365,249)

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Analysis of Operations Line 8.3

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
08.304. Reinsurance experience and other refunds	1,968,263	0	1,968,263	0	0	0	0	0	0	0	0	0
08.397. Summary of remaining write-ins for Line 8.3 from overflow page	1,968,263	0	1,968,263	0	0	0	0	0	0	0	0	0

Additional Write-ins for Analysis of Operations Line 27

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
2704. Reinsurance of in-force business	365,294,158	0	310,673,883	46,200,675	0	0	8,419,600	0	0	0	0	0
2797. Summary of remaining write-ins for Line 27 from overflow page	365,294,158	0	310,673,883	46,200,675	0	0	8,419,600	0	0	0	0	0

Annex 3

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JACKSON®
NATIONAL LIFE INSURANCE COMPANY

FOR IMMEDIATE RELEASE

Jackson Reports Record 2016 Financial Results[1]

- **Record IFRS pre-tax operating income[2] of $2.8 billion, an increase of 7% over 2015**
- **Year-end 2016 IFRS assets total $236.9 billion[3], up 8% from year-end 2015**

LANSING, Mich. — March 14, 2017 — Jackson National Life Insurance Company® (Jackson®) generated $2.8 billion in IFRS pre-tax operating income during 2016, an increase of 7 percent over 2015 and the highest in company history. Jackson, an indirect wholly owned subsidiary of the United Kingdom's Prudential plc (NYSE: PUK), recorded sales and deposits of $21.1 billion in 2016. The results mark another highly successful year for the company, despite recent challenges faced throughout the industry.

Barry Stowe, chairman and chief executive officer of the North American Business Unit of Prudential plc[4], said the results were primarily driven by strong variable annuity net flows and the growth of separate account assets under management, which totaled a record $148.8 billion in 2016.

"At Jackson, our long-term, disciplined approach to business is centered on aligning the needs of our stakeholders," Stowe said. "In 2016, this discipline enabled us to successfully manage volatile macroeconomic conditions and consistently drive positive outcomes amid adversity."

"The products we provide are a crucial component of a well-balanced retirement plan," Stowe continued. "The looming retirement crisis for under-saved Americans presents an opportunity for us to provide guaranteed income solutions that will support investors into and through retirement. As a leading provider of variable annuities, we'll continue to focus our efforts on creating value for consumers and providing quality products that meet the needs of those in search of a viable retirement solution."

Jackson continues to maintain its financial strength and capital position. The company increased total IFRS assets to $236.9 billion at the end of 2016, up 8 percent from year-end 2015. Jackson also increased regulatory adjusted capital to $5.3 billion, more than nine times the minimum regulatory requirement (as of December 31, 2016), while remitting a $550 million dividend to its parent company.

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[1]Financial results from Jackson National Life Insurance Company and its subsidiaries have been included in Jackson's financial results. Jackson results exclude its separately managed account business as new deposits have been discontinued effective July 31, 2015. Fixed index annuities, life insurance and institutional products are not sold in New York.

[2]International Financial Reporting Standards (IFRS) is a principles-based set of international accounting standards indicating how transactions and other events should be reported in financial statements. IFRS is issued by the International Accounting Standards Board in an effort to increase global comparability of financial statements and results. Jackson's parent, Prudential plc (Group), uses IFRS to report the Group's financial results.

IFRS pretax operating income is based on longer-term investment returns. It excludes short-term fluctuations in investment returns, hedge results and change in value of derivatives. A reconciliation to both IFRS net income as well as net income based on US generally accepted accounting principles (US GAAP) is as follows (amounts in millions):

$ 2,778.8	IFRS basis pretax income from operations
(2,321.5)	Net hedge results and change in value of derivatives, net of DAC amortization
332.5	Net realized investment gains, net of DAC amortization and non-controlling interest
(87.9)	Normalization of longer-term investment returns, net of DAC amortization
103.2	Income tax benefit
805.1	IFRS net income
(32.7)	IFRS to US GAAP adjustments, net of tax
$ 772.4	US GAAP basis net income attributable to Jackson

Jackson's net income was impacted by hedging losses incurred due to the equity market, which were not fully offset by the release of accounting reserves. IFRS accounting for variable annuity liabilities is not necessarily consistent with the economic value of these liabilities. Jackson continues to manage its hedge program on an economic basis and is willing to accept the accounting volatility that results.

[3]Jackson also has $223.1 billion of IFRS policy liabilities set aside to pay future policy owner benefits (as of December 31, 2016).

[4]The North American Business Unit of Prudential plc includes Jackson, its subsidiaries Jackson National Life Distributors LLC (JNLD) and Jackson National Asset Management, LLC® (JNAM) and its U.S. affiliates National Planning Holdings®, Inc. (NPH) and PPM America, Inc. (PPMA).

About Jackson National Life Insurance Company

Jackson is a leading provider of retirement products for industry professionals and their clients. The company offers a diverse range of products including variable, fixed and fixed index annuities designed for tax-efficient accumulation and distribution of retirement income for retail customers, and fixed income products for institutional investors. Jackson subsidiaries and affiliates provide specialized asset management and retail brokerage services. With $236.9 billion in IFRS assets*, Jackson prides itself on product innovation, sound corporate risk management practices and strategic technology initiatives. Focused on thought leadership and education, the company develops proprietary research, industry insights and financial representative training on retirement planning and alternative investment strategies. Jackson is also dedicated to corporate social responsibility and supports charities focused on helping children and seniors in the communities where its employees live and work. For more information, visit www.jackson.com.

**Jackson has $236.9 billion in total IFRS assets and $223.1 billion in IFRS policy liabilities set aside to pay primarily future policyowner benefits (as of December 31, 2016). International Financial Reporting Standards (IFRS) is a principles-based set of international accounting standards for reporting financial information. IFRS is issued by the International Accounting Standards Board in an effort to increase global comparability of financial statements and results. IFRS is used by Jackson's parent company.*

Jackson National Life Insurance Company is an indirect subsidiary of Prudential plc, a company incorporated in England and Wales. Prudential plc and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services through its subsidiaries and affiliates throughout the world. It has been in existence for over 165 years and has $740.6 billion in assets under management (as of December 31, 2016). Prudential plc is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

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