Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
SERVICE LLOYDS INSURANCE COMPANY PROFIT SHARING & 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1968

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

SERVICE LLOYDS INSURANCE COMPANY

6907 CAPITAL OF TEXAS HIGHWAY
AUSTIN, TX 78731

2b Employer Identification Number (EIN)
74-2227733

2c Sponsor's telephone number
512-637-3611

2d Business code (see instructions)
524140

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2013	SUE NOWOTNY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name
SERVICE LIFE & CASUALTY INSURANCE COMPANY

4b EIN
74-1653297

4c PN
001

5	Total number of participants at the beginning of the plan year	**5**	241
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	203
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	29
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	232
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	233
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	219
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	4
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	[X]	**R** (Retirement Plan Information)
(2)	[ ]	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	[ ]	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	[X]	**H** (Financial Information)
(2)	[ ]	**I** (Financial Information – Small Plan)
(3)	[ ]	**A** (Insurance Information)
(4)	[X]	**C** (Service Provider Information)
(5)	[ ]	**D** (DFE/Participating Plan Information)
(6)	[ ]	**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2012** **This Form is Open to Public Inspection.**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
SERVICE LLOYDS INSURANCE COMPANY PROFIT SHARING & 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SERVICE LLOYDS INSURANCE COMPANY

D Employer Identification Number (EIN)
74-2227733

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

AMERICAN CENTURY INVESTMENTS

44-6006315

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

AMERICAN FUNDS

95-1411037

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

ARTISAN

39-1811840

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

BARON CAPITAL GROUP

13-3122938

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

DAVIS FUNDS

52-1346931

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FRANKLIN TEMPLETON INVESTMENTS

94-3167260

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

GOLDMAN SACHS

13-5108880

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

INVESCO AIM

76-0528004

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

OAKMARK

04-3276558

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

RS FUNDS

94-3321067

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

T. ROWE PRICE

52-2264646

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 49 50 60 62 63 64	SERVICE PROVIDER	3075	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
SERVICE LLOYDS INSURANCE COMPANY PROFIT SHARING & 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SERVICE LLOYDS INSURANCE COMPANY

D Employer Identification Number (EIN)
74-2227733

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1469034	1468778
(2) Participant contributions	1b(2)	73	
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		5380617
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1173771	1144506
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	28565892	28190025
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	31208770	36183926
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	31208770	36183926

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	1982428	
(B) Participants	2a(1)(B)	1043263	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		3025691
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)	48214	
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		48214
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1041673	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1041673
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		2269089
c Other income	2c		49210
d Total income. Add all **income** amounts in column (b) and enter total	2d		6433877
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1406427	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		1406427
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	52294	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		52294
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1458721
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		4975156
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CALHOUN, THOMSON & MATZA, LLP **(2)** EIN: 74-2859143

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a	X		2790
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
SERVICE LLOYDS INSURANCE COMPANY PROFIT SHARING & 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SERVICE LLOYDS INSURANCE COMPANY

D Employer Identification Number (EIN)
74-2227733

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 41-6257166

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a	The current year	**14a**	
b	The plan year immediately preceding the current plan year	**14b**	
c	The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a	The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b	The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a	Enter the number of employers who withdrew during the preceding plan year	**16a**	
b	If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

ctm Calhoun, Thomson+Matza, LLP
Certified Public Accountants

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

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ctm Calhoun, Thomson+Matza, LLP
Certified Public Accountants

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Independent Auditors' Report

Plan Sponsor and Administrator
Service Lloyds Insurance Company
Austin, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the years ended December 31, 2012 and 2011, that the information provided to the plan

administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules, Schedule of Delinquent Participant Contributions and Schedule of Assets (Held at End of Year), as of and for the year ended December 31, 2012 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Calhoun, Thomson & Matza, LLP

October 11, 2013

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Net Assets Available for Benefits

December 31,	**2012**	2011
Assets		
Investments, at fair value:		
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**28,190,025**	24,612,588
Total investments	**33,570,642**	28,565,892
Notes receivable from participants	**1,144,506**	1,173,771
Contributions receivable:		
Employee	**-**	73
Employer	**1,468,778**	1,469,034
Total contributions receivable	**1,468,778**	1,469,107
Net assets available for benefits	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years ended December 31,	**2012**	2011
Additions:		
Investment income:		
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Dividend income	**1,041,673**	598,042
Other investment (loss) income	**49,210**	42,511
Total investment income (loss)	**3,359,972**	(349,019)
Other income	**48,214**	61,957
Contributions:		
Employer match	**515,503**	512,536
Employer profit sharing	**1,466,925**	1,468,976
Employee deferrals	**1,043,263**	1,026,647
Employee rollovers	**-**	6,863
Total contributions	**3,025,691**	3,015,022
Total additions	**6,433,877**	2,727,960
Deductions:		
Benefit payments	**1,406,427**	1,506,300
Administrative expenses	**52,294**	46,711
Total deductions	**1,458,721**	1,553,011
Net increase	**4,975,156**	1,174,949
Net assets available for benefits:		
Beginning of year	**31,208,770**	30,033,821
End of year	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Notes to Financial Statements

1. Description of the Plan

The following description of the Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established and effective on January 1, 1968. All employees Service Lloyds Insurance Company (the "Company") are eligible to participate in the Plan. The Plan provides for a qualified cash or deferred arrangement described in Section 401(k) of the Internal Revenue Code (the "Code"). The Plan is administered and trusteed by Wells Fargo Bank, N.A. and is subject to the Employee Retirement Income Security Act of 1974.

Investments and Investment Options

The Company selects and makes available as investment options various mutual funds. All participants self-direct their investments and may change their investment options daily.

Contributions

Participants may elect to contribute to the Plan up to the maximum dollar limitation contained in Section 402(g) of the Code in effect at the beginning of the plan year. Such contributions are recorded by the Plan in the period in which the Company makes applicable payroll deductions.

The Company may elect to make a matching contribution to all employees as a percentage of the employee's deferral compensation, as defined, subject to the limits provided by the Code. The Company may also elect to make a profit sharing contribution with allocation based on the participant's compensation, as defined.

For the years ended December 31, 2012 and 2011, the Company elected to contribute a match contribution to all employees at a rate of 100% of the first 3% and 50% of the next 2% of their deferral compensation. The total matching contribution, net of forfeitures, for 2012 and 2011 was $515,503 and $512,536, respectively. Additionally, the Company elected to make a profit sharing contribution, net of forfeitures, in the amount of $1,466,925 and $1,468,976 for the years ended December 31, 2012 and 2011, respectively.

Participant's Account
Each participant's account is credited with the participant's deferral contribution, the Company's matching and profit sharing contributions, and earnings of the participant's individual account. The benefit to which each participant is entitled is the benefit that can be provided from the participant's account.

Employees become eligible to participate in the contribution portion of the Plan on the first day of the month following the completion of three months of service. Employees may change their plan contribution twice per year (January 1st and July 1st) and may stop their plan contribution at anytime. Employees become eligible to participate in the safe harbor contribution after completion of one year of service. A participant will receive an allocation of the Company's profit sharing contributions if the participant is employed by the Company on the last day of the Plan year, has completed one year of service and has completed at least 1,000 hours during such Plan year, as defined in the Plan document.

Vesting and Forfeitures
Participants are immediately 100% vested in their deferral contributions and in their allocation of the Company's matching contribution and the related earnings thereon. The Company's profit sharing contribution becomes vested based on the participant's number of years of service with the Company according to the following schedule: 2 years – 20% vested; 3 years – 40% vested; 4 years – 60% vested; 5 years – 80% vested; and 6 years or more – 100% vested.

Non-vested balances of participants' accounts may be subject to forfeiture upon termination of their employment with the Company. Forfeiture occurs in the plan year in which a participant receives a distribution of their vested account or after five consecutive one-year breaks in service, as defined. Forfeitures used to reduce the Company's current year matching and profit sharing contributions for the years ended December 31, 2012 and 2011 totalled $14,853 and $27,999 respectively. Forfeitures were applied first to reduce the funding of the company match in the amount of $14,853 and $26,058 for 2012 and 2011, respectively. The balance of the forfeitures were used to reduce the funding of the profit sharing contribution in the amount of $0 and $1,941, respectively, for 2012 and 2011.

Notes Receivable from Participants
Participants may borrow from their deferral contributions fund account a minimum of $1,000 to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loans must be repaid within five years unless used for purchase of a primary residence. Loans are secured by the vested balance of the participant's account and bear interest at the Wells Fargo Prime plus 1% that is in effect on the date of the loan application. Interest rates ranged between 4.25%-8.25% as of December 31, 2012. Principal and interest are paid rateably through monthly payroll deductions.

Benefit Payments
The Plan provides for distributions to participants or their beneficiaries, upon retirement, death, disability, or termination of employment. A participant's account may be distributed:

1. in a single payment;
2. installments for a period not to exceed the life expectancy of the participant and/or the participant's designated beneficiary;
3. any other payment form providing for installments in approximately equal amounts;
4. a combination of the above

The Plan also provides for hardship withdrawals from a participant's elective deferral account in the event of an immediate and heavy financial hardship, as defined. Certain restrictions apply.

If the Plan is terminated, the assets will be liquidated and distributed, less the proportionate share of the expenses of the termination, to the participants. The Company does not have any present intention to terminate the Plan.

Investments
The Plan maintains separate accounts for all participants. The contributions related to these accounts are invested in accordance with directives from the individual participants in shares in registered investment companies available through the trustee as approved by the trustees. These investments are reported at the quoted market price for such funds on the last business day of the year.

Administrative Expenses
Administrative costs and expenses, including trustee, legal, loan administration, and accounting fees are paid out of the Plan unless paid directly by the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those net assets.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Payments of Benefits
Benefits are recorded when paid.

3. Information Certified by the Plan's Trustee

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate.

December 31,	**2012**	2011
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**$ 28,190,025**	$ 24,612,588
Notes receivable from participants	**$ 1,144,506**	$ 1,173,771

Years ended December 31,	**2012**	2011
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Other income – notes receivable from participants interest	**$ 48,214**	$ 61,957
Dividend income	**$ 1,041,673**	$ 598,042
Other investment (loss) income	**$ 49,210**	$ 42,511

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

4. Investments

The following investments represent 5% or more of net assets available for benefits:

December 31,	**2012**	2011
Wells Fargo Investment Money Market Fund	**$ 5,380,617**	$ 3,953,304
American Century Inflation Adjusted Bond	**3,271,489**	3,046,112
Davis NY Venture A	**3,229,621**	2,677,470
American Growth Fund of America	**2,815,870**	2,016,065
Oakmark Equity & Income I	**2,176,258**	2,389,126
Wells Fargo Outlook 2030 Fund I	**2,117,318**	1,635,480
Artisan Mid Cap Investment	**2,104,813**	2,348,668
RS Investments Partners	*****	1,691,720

***** *less than 5%*

During 2012 and 2011, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated and depreciated in value by $2,269,089 and $989,572, respectively.

5. Fair Value Measurements

FASB ASC 820, (FASB Statement No. 157, "*Fair Value Measurements*"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Money Market and Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the plan's assets at fair value:

December 31, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market account	**$ 5,380,617**	**$ -**	**$ -**	**$ 5,380,617**
Mutual funds	**28,190,025**	**-**	**-**	**28,190,025**
	$ 33,570,642	**$ -**	**$ -**	**$ 33,570,642**

December 31, 2011	Level 1	Level 2	Level 3	Total
Money market account	$ 3,953,304	$ -	$ -	$ 3,953,304
Mutual funds	24,612,588	-	-	24,612,588
	$ 28,565,892	$ -	$ -	$ 28,565,892

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

7. Internal Revenue Service Status

The Plan is based on the Prototype Nonstandardized 401(k) Profit Sharing Plan of Wells Fargo Bank, N.A., the trustee of the Plan. The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

8. Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. is the trustee of the Plan and therefore, these transactions qualify as party-in-interest.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

10. Non-exempt Prohibited Transactions

During the Plan year ended December 31, 2011, employee withholdings in the amount of $2,790 were not remitted within the appropriate time period by the Company. These transactions constitute non-exempt prohibited transactions as defined by ERISA. The Company is aware of the occurrence and has taken the appropriate steps to correct the situation, and has further implemented a procedure to ensure all future remittances are done within the prescribed time period.

11. Subsequent Events

The Plan has evaluated subsequent events occurring after December 31, 2012, the date of the most recent statement of net assets available for benefits date, through October 11, 2013, the date the financial statements were issued. The Plan does not believe any subsequent events have occurred that would require further disclosure or adjustment to the financial statements.

Supplemental Schedules

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost		Current Value
*	Wells Fargo Investment Money Market Fund	Registered Investment Company	*a*	$	5,380,617
	Mutual Funds:				
	American Century Inflation Adjusted Bond	Registered Investment Company	*a*		3,271,489
	Goldman Sachs Core Fixed Income	Registered Investment Company	*a*		984,674
	Franklin Templeton Convertable Securities A	Registered Investment Company	*a*		459,104
	Oakmark Equity & Income I	Registered Investment Company	*a*		2,176,258
	T. Rowe Price Equity Income	Registered Investment Company	*a*		1,059,296
	Davis NY Venture A	Registered Investment Company	*a*		3,229,621
	American Growth Fund of America	Registered Investment Company	*a*		2,815,870
	Artisan Mid Cap Investment	Registered Investment Company	*a*		2,104,813
	Goldman Sachs Small Cap Value	Registered Investment Company	*a*		713,248
	Goldman Sachs Mid Cap Value	Registered Investment Company	*a*		824,918
	RS Investments Partners	Registered Investment Company	*a*		1,503,669
	Baron Small Cap	Registered Investment Company	*a*		594,087
	American Funds Europacific Growth	Registered Investment Company	*a*		1,448,655
	Invesco Real Estate Fund - A	Registered Investment Company	*a*		523,220
	Franklin Templeton Global Bond Fund – Adv	Registered Investment Company	*a*		926,790
*	Wells Fargo Outlook Today Fund I	Registered Investment Company	*a*		308,028
*	Wells Fargo Outlook 2010 Fund I	Registered Investment Company	*a*		1,070,588
*	Wells Fargo Outlook 2020 Fund I	Registered Investment Company	*a*		1,003,428
*	Wells Fargo Outlook 2030 Fund I	Registered Investment Company	*a*		2,117,318
*	Wells Fargo Outlook 2040 Fund I	Registered Investment Company	*a*		462,818
*	Wells Fargo Outlook 2050 Fund I	Registered Investment Company	*a*		592,133
	Total Mutual Funds				28,190,025
*	Notes receivable from participants	141 loans to participants with interest rates ranging from 4.25% - 8.25%	-		1,144,506
				$	34,715,148

The above information has been certified by the trustee as being complete and accurate.

* *A party-in-interest as defined by ERISA.*

a *The cost of participant-directed investments is not required to be disclosed.*

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
Year Ended December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

Plan Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions: Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2011	$ 2,790	$ -	$ 2,790	$	$ -

(1) Department of Labor Reg. 2510.3-102 requires that all employee contributions are submitted to the Plan not later than 15 business days following the end of the month in which the amounts were withheld from compensation. Failure to remit on a timely basis is considered a nonexempt prohibited transaction with a party-in-interest.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

ctm Calhoun, Thomson+Matza, LLP
Certified Public Accountants

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

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Independent Auditors' Report

Plan Sponsor and Administrator
Service Lloyds Insurance Company
Austin, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the years ended December 31, 2012 and 2011, that the information provided to the plan

administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules, Schedule of Delinquent Participant Contributions and Schedule of Assets (Held at End of Year), as of and for the year ended December 31, 2012 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Calhoun, Thomson & Matza, LLP

October 11, 2013

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Net Assets Available for Benefits

December 31,	**2012**	2011
Assets		
Investments, at fair value:		
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**28,190,025**	24,612,588
Total investments	**33,570,642**	28,565,892
Notes receivable from participants	**1,144,506**	1,173,771
Contributions receivable:		
Employee	**-**	73
Employer	**1,468,778**	1,469,034
Total contributions receivable	**1,468,778**	1,469,107
Net assets available for benefits	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years ended December 31,	**2012**	2011
Additions:		
Investment income:		
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Dividend income	**1,041,673**	598,042
Other investment (loss) income	**49,210**	42,511
Total investment income (loss)	**3,359,972**	(349,019)
Other income	**48,214**	61,957
Contributions:		
Employer match	**515,503**	512,536
Employer profit sharing	**1,466,925**	1,468,976
Employee deferrals	**1,043,263**	1,026,647
Employee rollovers	**-**	6,863
Total contributions	**3,025,691**	3,015,022
Total additions	**6,433,877**	2,727,960
Deductions:		
Benefit payments	**1,406,427**	1,506,300
Administrative expenses	**52,294**	46,711
Total deductions	**1,458,721**	1,553,011
Net increase	**4,975,156**	1,174,949
Net assets available for benefits:		
Beginning of year	**31,208,770**	30,033,821
End of year	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Notes to Financial Statements

1. Description of the Plan

The following description of the Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established and effective on January 1, 1968. All employees Service Lloyds Insurance Company (the "Company") are eligible to participate in the Plan. The Plan provides for a qualified cash or deferred arrangement described in Section 401(k) of the Internal Revenue Code (the "Code"). The Plan is administered and trusteed by Wells Fargo Bank, N.A. and is subject to the Employee Retirement Income Security Act of 1974.

Investments and Investment Options

The Company selects and makes available as investment options various mutual funds. All participants self-direct their investments and may change their investment options daily.

Contributions

Participants may elect to contribute to the Plan up to the maximum dollar limitation contained in Section 402(g) of the Code in effect at the beginning of the plan year. Such contributions are recorded by the Plan in the period in which the Company makes applicable payroll deductions.

The Company may elect to make a matching contribution to all employees as a percentage of the employee's deferral compensation, as defined, subject to the limits provided by the Code. The Company may also elect to make a profit sharing contribution with allocation based on the participant's compensation, as defined.

For the years ended December 31, 2012 and 2011, the Company elected to contribute a match contribution to all employees at a rate of 100% of the first 3% and 50% of the next 2% of their deferral compensation. The total matching contribution, net of forfeitures, for 2012 and 2011 was $515,503 and $512,536, respectively. Additionally, the Company elected to make a profit sharing contribution, net of forfeitures, in the amount of $1,466,925 and $1,468,976 for the years ended December 31, 2012 and 2011, respectively.

Participant's Account
Each participant's account is credited with the participant's deferral contribution, the Company's matching and profit sharing contributions, and earnings of the participant's individual account. The benefit to which each participant is entitled is the benefit that can be provided from the participant's account.

Employees become eligible to participate in the contribution portion of the Plan on the first day of the month following the completion of three months of service. Employees may change their plan contribution twice per year (January 1st and July 1st) and may stop their plan contribution at anytime. Employees become eligible to participate in the safe harbor contribution after completion of one year of service. A participant will receive an allocation of the Company's profit sharing contributions if the participant is employed by the Company on the last day of the Plan year, has completed one year of service and has completed at least 1,000 hours during such Plan year, as defined in the Plan document.

Vesting and Forfeitures
Participants are immediately 100% vested in their deferral contributions and in their allocation of the Company's matching contribution and the related earnings thereon. The Company's profit sharing contribution becomes vested based on the participant's number of years of service with the Company according to the following schedule: 2 years – 20% vested; 3 years – 40% vested; 4 years – 60% vested; 5 years – 80% vested; and 6 years or more – 100% vested.

Non-vested balances of participants' accounts may be subject to forfeiture upon termination of their employment with the Company. Forfeiture occurs in the plan year in which a participant receives a distribution of their vested account or after five consecutive one-year breaks in service, as defined. Forfeitures used to reduce the Company's current year matching and profit sharing contributions for the years ended December 31, 2012 and 2011 totalled $14,853 and $27,999 respectively. Forfeitures were applied first to reduce the funding of the company match in the amount of $14,853 and $26,058 for 2012 and 2011, respectively. The balance of the forfeitures were used to reduce the funding of the profit sharing contribution in the amount of $0 and $1,941, respectively, for 2012 and 2011.

Notes Receivable from Participants
Participants may borrow from their deferral contributions fund account a minimum of $1,000 to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loans must be repaid within five years unless used for purchase of a primary residence. Loans are secured by the vested balance of the participant's account and bear interest at the Wells Fargo Prime plus 1% that is in effect on the date of the loan application. Interest rates ranged between 4.25%-8.25% as of December 31, 2012. Principal and interest are paid rateably through monthly payroll deductions.

Benefit Payments
The Plan provides for distributions to participants or their beneficiaries, upon retirement, death, disability, or termination of employment. A participant's account may be distributed:

1. in a single payment;
2. installments for a period not to exceed the life expectancy of the participant and/or the participant's designated beneficiary;
3. any other payment form providing for installments in approximately equal amounts;
4. a combination of the above

The Plan also provides for hardship withdrawals from a participant's elective deferral account in the event of an immediate and heavy financial hardship, as defined. Certain restrictions apply.

If the Plan is terminated, the assets will be liquidated and distributed, less the proportionate share of the expenses of the termination, to the participants. The Company does not have any present intention to terminate the Plan.

Investments
The Plan maintains separate accounts for all participants. The contributions related to these accounts are invested in accordance with directives from the individual participants in shares in registered investment companies available through the trustee as approved by the trustees. These investments are reported at the quoted market price for such funds on the last business day of the year.

Administrative Expenses
Administrative costs and expenses, including trustee, legal, loan administration, and accounting fees are paid out of the Plan unless paid directly by the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those net assets.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Payments of Benefits
Benefits are recorded when paid.

3. Information Certified by the Plan's Trustee

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate.

December 31,	**2012**	2011
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**$ 28,190,025**	$ 24,612,588
Notes receivable from participants	**$ 1,144,506**	$ 1,173,771

Years ended December 31,	**2012**	2011
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Other income – notes receivable from participants interest	**$ 48,214**	$ 61,957
Dividend income	**$ 1,041,673**	$ 598,042
Other investment (loss) income	**$ 49,210**	$ 42,511

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

4. Investments

The following investments represent 5% or more of net assets available for benefits:

December 31,	**2012**	2011
Wells Fargo Investment Money Market Fund	**$ 5,380,617**	$ 3,953,304
American Century Inflation Adjusted Bond	**3,271,489**	3,046,112
Davis NY Venture A	**3,229,621**	2,677,470
American Growth Fund of America	**2,815,870**	2,016,065
Oakmark Equity & Income I	**2,176,258**	2,389,126
Wells Fargo Outlook 2030 Fund I	**2,117,318**	1,635,480
Artisan Mid Cap Investment	**2,104,813**	2,348,668
RS Investments Partners	*****	1,691,720

***** *less than 5%*

During 2012 and 2011, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated and depreciated in value by $2,269,089 and $989,572, respectively.

5. Fair Value Measurements

FASB ASC 820, (FASB Statement No. 157, "*Fair Value Measurements*"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Money Market and Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the plan's assets at fair value:

December 31, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market account	**$ 5,380,617**	**$ -**	**$ -**	**$ 5,380,617**
Mutual funds	**28,190,025**	**-**	**-**	**28,190,025**
	$ 33,570,642	**$ -**	**$ -**	**$ 33,570,642**

December 31, 2011	Level 1	Level 2	Level 3	Total
Money market account	$ 3,953,304	$ -	$ -	$ 3,953,304
Mutual funds	24,612,588	-	-	24,612,588
	$ 28,565,892	$ -	$ -	$ 28,565,892

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

7. Internal Revenue Service Status

The Plan is based on the Prototype Nonstandardized 401(k) Profit Sharing Plan of Wells Fargo Bank, N.A., the trustee of the Plan. The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

8. Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. is the trustee of the Plan and therefore, these transactions qualify as party-in-interest.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

10. Non-exempt Prohibited Transactions

During the Plan year ended December 31, 2011, employee withholdings in the amount of $2,790 were not remitted within the appropriate time period by the Company. These transactions constitute non-exempt prohibited transactions as defined by ERISA. The Company is aware of the occurrence and has taken the appropriate steps to correct the situation, and has further implemented a procedure to ensure all future remittances are done within the prescribed time period.

11. Subsequent Events

The Plan has evaluated subsequent events occurring after December 31, 2012, the date of the most recent statement of net assets available for benefits date, through October 11, 2013, the date the financial statements were issued. The Plan does not believe any subsequent events have occurred that would require further disclosure or adjustment to the financial statements.

Supplemental Schedules

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost		Current Value
*	Wells Fargo Investment Money Market Fund	Registered Investment Company	*a*	$	5,380,617
	Mutual Funds:				
	American Century Inflation Adjusted Bond	Registered Investment Company	*a*		3,271,489
	Goldman Sachs Core Fixed Income	Registered Investment Company	*a*		984,674
	Franklin Templeton Convertable Securities A	Registered Investment Company	*a*		459,104
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*	Wells Fargo Outlook 2050 Fund I	Registered Investment Company	*a*		592,133
	Total Mutual Funds				28,190,025
*	Notes receivable from participants	141 loans to participants with interest rates ranging from 4.25% - 8.25%	-		1,144,506
				$	34,715,148

The above information has been certified by the trustee as being complete and accurate.

* *A party-in-interest as defined by ERISA.*

a *The cost of participant-directed investments is not required to be disclosed.*

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
Year Ended December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

Plan Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions: Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2011	$ 2,790	$ -	$ 2,790	$	$ -

(1) Department of Labor Reg. 2510.3-102 requires that all employee contributions are submitted to the Plan not later than 15 business days following the end of the month in which the amounts were withheld from compensation. Failure to remit on a timely basis is considered a nonexempt prohibited transaction with a party-in-interest.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

ctm Calhoun, Thomson+Matza, LLP
Certified Public Accountants

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

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Independent Auditors' Report

Plan Sponsor and Administrator
Service Lloyds Insurance Company
Austin, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the years ended December 31, 2012 and 2011, that the information provided to the plan

administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules, Schedule of Delinquent Participant Contributions and Schedule of Assets (Held at End of Year), as of and for the year ended December 31, 2012 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Calhoun, Thomson & Matza, LLP

October 11, 2013

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Net Assets Available for Benefits

December 31,	**2012**	2011
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Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**28,190,025**	24,612,588
Total investments	**33,570,642**	28,565,892
Notes receivable from participants	**1,144,506**	1,173,771
Contributions receivable:		
Employee	**-**	73
Employer	**1,468,778**	1,469,034
Total contributions receivable	**1,468,778**	1,469,107
Net assets available for benefits	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years ended December 31,	**2012**	2011
Additions:		
Investment income:		
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Dividend income	**1,041,673**	598,042
Other investment (loss) income	**49,210**	42,511
Total investment income (loss)	**3,359,972**	(349,019)
Other income	**48,214**	61,957
Contributions:		
Employer match	**515,503**	512,536
Employer profit sharing	**1,466,925**	1,468,976
Employee deferrals	**1,043,263**	1,026,647
Employee rollovers	**-**	6,863
Total contributions	**3,025,691**	3,015,022
Total additions	**6,433,877**	2,727,960
Deductions:		
Benefit payments	**1,406,427**	1,506,300
Administrative expenses	**52,294**	46,711
Total deductions	**1,458,721**	1,553,011
Net increase	**4,975,156**	1,174,949
Net assets available for benefits:		
Beginning of year	**31,208,770**	30,033,821
End of year	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Notes to Financial Statements

1. Description of the Plan

The following description of the Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established and effective on January 1, 1968. All employees Service Lloyds Insurance Company (the "Company") are eligible to participate in the Plan. The Plan provides for a qualified cash or deferred arrangement described in Section 401(k) of the Internal Revenue Code (the "Code"). The Plan is administered and trusteed by Wells Fargo Bank, N.A. and is subject to the Employee Retirement Income Security Act of 1974.

Investments and Investment Options

The Company selects and makes available as investment options various mutual funds. All participants self-direct their investments and may change their investment options daily.

Contributions

Participants may elect to contribute to the Plan up to the maximum dollar limitation contained in Section 402(g) of the Code in effect at the beginning of the plan year. Such contributions are recorded by the Plan in the period in which the Company makes applicable payroll deductions.

The Company may elect to make a matching contribution to all employees as a percentage of the employee's deferral compensation, as defined, subject to the limits provided by the Code. The Company may also elect to make a profit sharing contribution with allocation based on the participant's compensation, as defined.

For the years ended December 31, 2012 and 2011, the Company elected to contribute a match contribution to all employees at a rate of 100% of the first 3% and 50% of the next 2% of their deferral compensation. The total matching contribution, net of forfeitures, for 2012 and 2011 was $515,503 and $512,536, respectively. Additionally, the Company elected to make a profit sharing contribution, net of forfeitures, in the amount of $1,466,925 and $1,468,976 for the years ended December 31, 2012 and 2011, respectively.

Participant's Account
Each participant's account is credited with the participant's deferral contribution, the Company's matching and profit sharing contributions, and earnings of the participant's individual account. The benefit to which each participant is entitled is the benefit that can be provided from the participant's account.

Employees become eligible to participate in the contribution portion of the Plan on the first day of the month following the completion of three months of service. Employees may change their plan contribution twice per year (January 1st and July 1st) and may stop their plan contribution at anytime. Employees become eligible to participate in the safe harbor contribution after completion of one year of service. A participant will receive an allocation of the Company's profit sharing contributions if the participant is employed by the Company on the last day of the Plan year, has completed one year of service and has completed at least 1,000 hours during such Plan year, as defined in the Plan document.

Vesting and Forfeitures
Participants are immediately 100% vested in their deferral contributions and in their allocation of the Company's matching contribution and the related earnings thereon. The Company's profit sharing contribution becomes vested based on the participant's number of years of service with the Company according to the following schedule: 2 years – 20% vested; 3 years – 40% vested; 4 years – 60% vested; 5 years – 80% vested; and 6 years or more – 100% vested.

Non-vested balances of participants' accounts may be subject to forfeiture upon termination of their employment with the Company. Forfeiture occurs in the plan year in which a participant receives a distribution of their vested account or after five consecutive one-year breaks in service, as defined. Forfeitures used to reduce the Company's current year matching and profit sharing contributions for the years ended December 31, 2012 and 2011 totalled $14,853 and $27,999 respectively. Forfeitures were applied first to reduce the funding of the company match in the amount of $14,853 and $26,058 for 2012 and 2011, respectively. The balance of the forfeitures were used to reduce the funding of the profit sharing contribution in the amount of $0 and $1,941, respectively, for 2012 and 2011.

Notes Receivable from Participants
Participants may borrow from their deferral contributions fund account a minimum of $1,000 to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loans must be repaid within five years unless used for purchase of a primary residence. Loans are secured by the vested balance of the participant's account and bear interest at the Wells Fargo Prime plus 1% that is in effect on the date of the loan application. Interest rates ranged between 4.25%-8.25% as of December 31, 2012. Principal and interest are paid rateably through monthly payroll deductions.

Benefit Payments
The Plan provides for distributions to participants or their beneficiaries, upon retirement, death, disability, or termination of employment. A participant's account may be distributed:

1. in a single payment;
2. installments for a period not to exceed the life expectancy of the participant and/or the participant's designated beneficiary;
3. any other payment form providing for installments in approximately equal amounts;
4. a combination of the above

The Plan also provides for hardship withdrawals from a participant's elective deferral account in the event of an immediate and heavy financial hardship, as defined. Certain restrictions apply.

If the Plan is terminated, the assets will be liquidated and distributed, less the proportionate share of the expenses of the termination, to the participants. The Company does not have any present intention to terminate the Plan.

Investments
The Plan maintains separate accounts for all participants. The contributions related to these accounts are invested in accordance with directives from the individual participants in shares in registered investment companies available through the trustee as approved by the trustees. These investments are reported at the quoted market price for such funds on the last business day of the year.

Administrative Expenses
Administrative costs and expenses, including trustee, legal, loan administration, and accounting fees are paid out of the Plan unless paid directly by the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those net assets.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Payments of Benefits
Benefits are recorded when paid.

3. Information Certified by the Plan's Trustee

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate.

December 31,	**2012**	2011
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**$ 28,190,025**	$ 24,612,588
Notes receivable from participants	**$ 1,144,506**	$ 1,173,771

Years ended December 31,	**2012**	2011
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Other income – notes receivable from participants interest	**$ 48,214**	$ 61,957
Dividend income	**$ 1,041,673**	$ 598,042
Other investment (loss) income	**$ 49,210**	$ 42,511

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

4. Investments

The following investments represent 5% or more of net assets available for benefits:

December 31,	**2012**	2011
Wells Fargo Investment Money Market Fund	**$ 5,380,617**	$ 3,953,304
American Century Inflation Adjusted Bond	**3,271,489**	3,046,112
Davis NY Venture A	**3,229,621**	2,677,470
American Growth Fund of America	**2,815,870**	2,016,065
Oakmark Equity & Income I	**2,176,258**	2,389,126
Wells Fargo Outlook 2030 Fund I	**2,117,318**	1,635,480
Artisan Mid Cap Investment	**2,104,813**	2,348,668
RS Investments Partners	*****	1,691,720

***** *less than 5%*

During 2012 and 2011, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated and depreciated in value by $2,269,089 and $989,572, respectively.

5. Fair Value Measurements

FASB ASC 820, (FASB Statement No. 157, "*Fair Value Measurements*"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Money Market and Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the plan's assets at fair value:

December 31, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market account	**$ 5,380,617**	**$ -**	**$ -**	**$ 5,380,617**
Mutual funds	**28,190,025**	**-**	**-**	**28,190,025**
	$ 33,570,642	**$ -**	**$ -**	**$ 33,570,642**

December 31, 2011	Level 1	Level 2	Level 3	Total
Money market account	$ 3,953,304	$ -	$ -	$ 3,953,304
Mutual funds	24,612,588	-	-	24,612,588
	$ 28,565,892	$ -	$ -	$ 28,565,892

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

7. Internal Revenue Service Status

The Plan is based on the Prototype Nonstandardized 401(k) Profit Sharing Plan of Wells Fargo Bank, N.A., the trustee of the Plan. The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

8. Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. is the trustee of the Plan and therefore, these transactions qualify as party-in-interest.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

10. Non-exempt Prohibited Transactions

During the Plan year ended December 31, 2011, employee withholdings in the amount of $2,790 were not remitted within the appropriate time period by the Company. These transactions constitute non-exempt prohibited transactions as defined by ERISA. The Company is aware of the occurrence and has taken the appropriate steps to correct the situation, and has further implemented a procedure to ensure all future remittances are done within the prescribed time period.

11. Subsequent Events

The Plan has evaluated subsequent events occurring after December 31, 2012, the date of the most recent statement of net assets available for benefits date, through October 11, 2013, the date the financial statements were issued. The Plan does not believe any subsequent events have occurred that would require further disclosure or adjustment to the financial statements.

Supplemental Schedules

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost		Current Value
*	Wells Fargo Investment Money Market Fund	Registered Investment Company	*a*	$	5,380,617
	Mutual Funds:				
	American Century Inflation Adjusted Bond	Registered Investment Company	*a*		3,271,489
	Goldman Sachs Core Fixed Income	Registered Investment Company	*a*		984,674
	Franklin Templeton Convertable Securities A	Registered Investment Company	*a*		459,104
	Oakmark Equity & Income I	Registered Investment Company	*a*		2,176,258
	T. Rowe Price Equity Income	Registered Investment Company	*a*		1,059,296
	Davis NY Venture A	Registered Investment Company	*a*		3,229,621
	American Growth Fund of America	Registered Investment Company	*a*		2,815,870
	Artisan Mid Cap Investment	Registered Investment Company	*a*		2,104,813
	Goldman Sachs Small Cap Value	Registered Investment Company	*a*		713,248
	Goldman Sachs Mid Cap Value	Registered Investment Company	*a*		824,918
	RS Investments Partners	Registered Investment Company	*a*		1,503,669
	Baron Small Cap	Registered Investment Company	*a*		594,087
	American Funds Europacific Growth	Registered Investment Company	*a*		1,448,655
	Invesco Real Estate Fund - A	Registered Investment Company	*a*		523,220
	Franklin Templeton Global Bond Fund – Adv	Registered Investment Company	*a*		926,790
*	Wells Fargo Outlook Today Fund I	Registered Investment Company	*a*		308,028
*	Wells Fargo Outlook 2010 Fund I	Registered Investment Company	*a*		1,070,588
*	Wells Fargo Outlook 2020 Fund I	Registered Investment Company	*a*		1,003,428
*	Wells Fargo Outlook 2030 Fund I	Registered Investment Company	*a*		2,117,318
*	Wells Fargo Outlook 2040 Fund I	Registered Investment Company	*a*		462,818
*	Wells Fargo Outlook 2050 Fund I	Registered Investment Company	*a*		592,133
	Total Mutual Funds				28,190,025
*	Notes receivable from participants	141 loans to participants with interest rates ranging from 4.25% - 8.25%	-		1,144,506
				$	34,715,148

The above information has been certified by the trustee as being complete and accurate.

* *A party-in-interest as defined by ERISA.*

a *The cost of participant-directed investments is not required to be disclosed.*

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
Year Ended December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

Plan Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions: Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2011	$ 2,790	$ -	$ 2,790	$	$ -

(1) Department of Labor Reg. 2510.3-102 requires that all employee contributions are submitted to the Plan not later than 15 business days following the end of the month in which the amounts were withheld from compensation. Failure to remit on a timely basis is considered a nonexempt prohibited transaction with a party-in-interest.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

ctm Calhoun, Thomson+Matza, LLP
Certified Public Accountants

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

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ctm Calhoun, Thomson+Matza, LLP
Certified Public Accountants

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Independent Auditors' Report

Plan Sponsor and Administrator
Service Lloyds Insurance Company
Austin, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the years ended December 31, 2012 and 2011, that the information provided to the plan

administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules, Schedule of Delinquent Participant Contributions and Schedule of Assets (Held at End of Year), as of and for the year ended December 31, 2012 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Calhoun, Thomson & Matza, LLP

October 11, 2013

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Net Assets Available for Benefits

December 31,	**2012**	2011
Assets		
Investments, at fair value:		
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**28,190,025**	24,612,588
Total investments	**33,570,642**	28,565,892
Notes receivable from participants	**1,144,506**	1,173,771
Contributions receivable:		
Employee	**-**	73
Employer	**1,468,778**	1,469,034
Total contributions receivable	**1,468,778**	1,469,107
Net assets available for benefits	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years ended December 31,	**2012**	2011
Additions:		
Investment income:		
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
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Administrative expenses	**52,294**	46,711
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Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

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The Company selects and makes available as investment options various mutual funds. All participants self-direct their investments and may change their investment options daily.

Contributions

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The Company may elect to make a matching contribution to all employees as a percentage of the employee's deferral compensation, as defined, subject to the limits provided by the Code. The Company may also elect to make a profit sharing contribution with allocation based on the participant's compensation, as defined.

For the years ended December 31, 2012 and 2011, the Company elected to contribute a match contribution to all employees at a rate of 100% of the first 3% and 50% of the next 2% of their deferral compensation. The total matching contribution, net of forfeitures, for 2012 and 2011 was $515,503 and $512,536, respectively. Additionally, the Company elected to make a profit sharing contribution, net of forfeitures, in the amount of $1,466,925 and $1,468,976 for the years ended December 31, 2012 and 2011, respectively.

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Each participant's account is credited with the participant's deferral contribution, the Company's matching and profit sharing contributions, and earnings of the participant's individual account. The benefit to which each participant is entitled is the benefit that can be provided from the participant's account.

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Vesting and Forfeitures
Participants are immediately 100% vested in their deferral contributions and in their allocation of the Company's matching contribution and the related earnings thereon. The Company's profit sharing contribution becomes vested based on the participant's number of years of service with the Company according to the following schedule: 2 years – 20% vested; 3 years – 40% vested; 4 years – 60% vested; 5 years – 80% vested; and 6 years or more – 100% vested.

Non-vested balances of participants' accounts may be subject to forfeiture upon termination of their employment with the Company. Forfeiture occurs in the plan year in which a participant receives a distribution of their vested account or after five consecutive one-year breaks in service, as defined. Forfeitures used to reduce the Company's current year matching and profit sharing contributions for the years ended December 31, 2012 and 2011 totalled $14,853 and $27,999 respectively. Forfeitures were applied first to reduce the funding of the company match in the amount of $14,853 and $26,058 for 2012 and 2011, respectively. The balance of the forfeitures were used to reduce the funding of the profit sharing contribution in the amount of $0 and $1,941, respectively, for 2012 and 2011.

Notes Receivable from Participants
Participants may borrow from their deferral contributions fund account a minimum of $1,000 to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loans must be repaid within five years unless used for purchase of a primary residence. Loans are secured by the vested balance of the participant's account and bear interest at the Wells Fargo Prime plus 1% that is in effect on the date of the loan application. Interest rates ranged between 4.25%-8.25% as of December 31, 2012. Principal and interest are paid rateably through monthly payroll deductions.

Benefit Payments
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1. in a single payment;
2. installments for a period not to exceed the life expectancy of the participant and/or the participant's designated beneficiary;
3. any other payment form providing for installments in approximately equal amounts;
4. a combination of the above

The Plan also provides for hardship withdrawals from a participant's elective deferral account in the event of an immediate and heavy financial hardship, as defined. Certain restrictions apply.

If the Plan is terminated, the assets will be liquidated and distributed, less the proportionate share of the expenses of the termination, to the participants. The Company does not have any present intention to terminate the Plan.

Investments
The Plan maintains separate accounts for all participants. The contributions related to these accounts are invested in accordance with directives from the individual participants in shares in registered investment companies available through the trustee as approved by the trustees. These investments are reported at the quoted market price for such funds on the last business day of the year.

Administrative Expenses
Administrative costs and expenses, including trustee, legal, loan administration, and accounting fees are paid out of the Plan unless paid directly by the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those net assets.

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The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Payments of Benefits
Benefits are recorded when paid.

3. Information Certified by the Plan's Trustee

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate.

December 31,	**2012**	2011
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**$ 28,190,025**	$ 24,612,588
Notes receivable from participants	**$ 1,144,506**	$ 1,173,771

Years ended December 31,	**2012**	2011
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Other income – notes receivable from participants interest	**$ 48,214**	$ 61,957
Dividend income	**$ 1,041,673**	$ 598,042
Other investment (loss) income	**$ 49,210**	$ 42,511

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

4. Investments

The following investments represent 5% or more of net assets available for benefits:

December 31,	**2012**	2011
Wells Fargo Investment Money Market Fund	**$ 5,380,617**	$ 3,953,304
American Century Inflation Adjusted Bond	**3,271,489**	3,046,112
Davis NY Venture A	**3,229,621**	2,677,470
American Growth Fund of America	**2,815,870**	2,016,065
Oakmark Equity & Income I	**2,176,258**	2,389,126
Wells Fargo Outlook 2030 Fund I	**2,117,318**	1,635,480
Artisan Mid Cap Investment	**2,104,813**	2,348,668
RS Investments Partners	*****	1,691,720

***** *less than 5%*

During 2012 and 2011, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated and depreciated in value by $2,269,089 and $989,572, respectively.

5. Fair Value Measurements

FASB ASC 820, (FASB Statement No. 157, "*Fair Value Measurements*"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Money Market and Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the plan's assets at fair value:

December 31, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market account	**$ 5,380,617**	**$ -**	**$ -**	**$ 5,380,617**
Mutual funds	**28,190,025**	**-**	**-**	**28,190,025**
	$ 33,570,642	**$ -**	**$ -**	**$ 33,570,642**

December 31, 2011	Level 1	Level 2	Level 3	Total
Money market account	$ 3,953,304	$ -	$ -	$ 3,953,304
Mutual funds	24,612,588	-	-	24,612,588
	$ 28,565,892	$ -	$ -	$ 28,565,892

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

7. Internal Revenue Service Status

The Plan is based on the Prototype Nonstandardized 401(k) Profit Sharing Plan of Wells Fargo Bank, N.A., the trustee of the Plan. The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

8. Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. is the trustee of the Plan and therefore, these transactions qualify as party-in-interest.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

10. Non-exempt Prohibited Transactions

During the Plan year ended December 31, 2011, employee withholdings in the amount of $2,790 were not remitted within the appropriate time period by the Company. These transactions constitute non-exempt prohibited transactions as defined by ERISA. The Company is aware of the occurrence and has taken the appropriate steps to correct the situation, and has further implemented a procedure to ensure all future remittances are done within the prescribed time period.

11. Subsequent Events

The Plan has evaluated subsequent events occurring after December 31, 2012, the date of the most recent statement of net assets available for benefits date, through October 11, 2013, the date the financial statements were issued. The Plan does not believe any subsequent events have occurred that would require further disclosure or adjustment to the financial statements.

Supplemental Schedules

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost		Current Value
*	Wells Fargo Investment Money Market Fund	Registered Investment Company	*a*	$	5,380,617
	Mutual Funds:				
	American Century Inflation Adjusted Bond	Registered Investment Company	*a*		3,271,489
	Goldman Sachs Core Fixed Income	Registered Investment Company	*a*		984,674
	Franklin Templeton Convertable Securities A	Registered Investment Company	*a*		459,104
	Oakmark Equity & Income I	Registered Investment Company	*a*		2,176,258
	T. Rowe Price Equity Income	Registered Investment Company	*a*		1,059,296
	Davis NY Venture A	Registered Investment Company	*a*		3,229,621
	American Growth Fund of America	Registered Investment Company	*a*		2,815,870
	Artisan Mid Cap Investment	Registered Investment Company	*a*		2,104,813
	Goldman Sachs Small Cap Value	Registered Investment Company	*a*		713,248
	Goldman Sachs Mid Cap Value	Registered Investment Company	*a*		824,918
	RS Investments Partners	Registered Investment Company	*a*		1,503,669
	Baron Small Cap	Registered Investment Company	*a*		594,087
	American Funds Europacific Growth	Registered Investment Company	*a*		1,448,655
	Invesco Real Estate Fund - A	Registered Investment Company	*a*		523,220
	Franklin Templeton Global Bond Fund – Adv	Registered Investment Company	*a*		926,790
*	Wells Fargo Outlook Today Fund I	Registered Investment Company	*a*		308,028
*	Wells Fargo Outlook 2010 Fund I	Registered Investment Company	*a*		1,070,588
*	Wells Fargo Outlook 2020 Fund I	Registered Investment Company	*a*		1,003,428
*	Wells Fargo Outlook 2030 Fund I	Registered Investment Company	*a*		2,117,318
*	Wells Fargo Outlook 2040 Fund I	Registered Investment Company	*a*		462,818
*	Wells Fargo Outlook 2050 Fund I	Registered Investment Company	*a*		592,133
	Total Mutual Funds				28,190,025
*	Notes receivable from participants	141 loans to participants with interest rates ranging from 4.25% - 8.25%	-		1,144,506
				$	34,715,148

The above information has been certified by the trustee as being complete and accurate.

* *A party-in-interest as defined by ERISA.*

a *The cost of participant-directed investments is not required to be disclosed.*

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
Year Ended December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

Plan Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions: Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2011	$ 2,790	$ -	$ 2,790	$	$ -

(1) Department of Labor Reg. 2510.3-102 requires that all employee contributions are submitted to the Plan not later than 15 business days following the end of the month in which the amounts were withheld from compensation. Failure to remit on a timely basis is considered a nonexempt prohibited transaction with a party-in-interest.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

ctm Calhoun, Thomson+Matza, LLP
Certified Public Accountants

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

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Independent Auditors' Report

Plan Sponsor and Administrator
Service Lloyds Insurance Company
Austin, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the years ended December 31, 2012 and 2011, that the information provided to the plan

administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules, Schedule of Delinquent Participant Contributions and Schedule of Assets (Held at End of Year), as of and for the year ended December 31, 2012 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Calhoun, Thomson & Matza, LLP

October 11, 2013

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Net Assets Available for Benefits

December 31,	**2012**	2011
Assets		
Investments, at fair value:		
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**28,190,025**	24,612,588
Total investments	**33,570,642**	28,565,892
Notes receivable from participants	**1,144,506**	1,173,771
Contributions receivable:		
Employee	**-**	73
Employer	**1,468,778**	1,469,034
Total contributions receivable	**1,468,778**	1,469,107
Net assets available for benefits	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years ended December 31,	**2012**	2011
Additions:		
Investment income:		
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Dividend income	**1,041,673**	598,042
Other investment (loss) income	**49,210**	42,511
Total investment income (loss)	**3,359,972**	(349,019)
Other income	**48,214**	61,957
Contributions:		
Employer match	**515,503**	512,536
Employer profit sharing	**1,466,925**	1,468,976
Employee deferrals	**1,043,263**	1,026,647
Employee rollovers	**-**	6,863
Total contributions	**3,025,691**	3,015,022
Total additions	**6,433,877**	2,727,960
Deductions:		
Benefit payments	**1,406,427**	1,506,300
Administrative expenses	**52,294**	46,711
Total deductions	**1,458,721**	1,553,011
Net increase	**4,975,156**	1,174,949
Net assets available for benefits:		
Beginning of year	**31,208,770**	30,033,821
End of year	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Notes to Financial Statements

1. Description of the Plan

The following description of the Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established and effective on January 1, 1968. All employees Service Lloyds Insurance Company (the "Company") are eligible to participate in the Plan. The Plan provides for a qualified cash or deferred arrangement described in Section 401(k) of the Internal Revenue Code (the "Code"). The Plan is administered and trusteed by Wells Fargo Bank, N.A. and is subject to the Employee Retirement Income Security Act of 1974.

Investments and Investment Options

The Company selects and makes available as investment options various mutual funds. All participants self-direct their investments and may change their investment options daily.

Contributions

Participants may elect to contribute to the Plan up to the maximum dollar limitation contained in Section 402(g) of the Code in effect at the beginning of the plan year. Such contributions are recorded by the Plan in the period in which the Company makes applicable payroll deductions.

The Company may elect to make a matching contribution to all employees as a percentage of the employee's deferral compensation, as defined, subject to the limits provided by the Code. The Company may also elect to make a profit sharing contribution with allocation based on the participant's compensation, as defined.

For the years ended December 31, 2012 and 2011, the Company elected to contribute a match contribution to all employees at a rate of 100% of the first 3% and 50% of the next 2% of their deferral compensation. The total matching contribution, net of forfeitures, for 2012 and 2011 was $515,503 and $512,536, respectively. Additionally, the Company elected to make a profit sharing contribution, net of forfeitures, in the amount of $1,466,925 and $1,468,976 for the years ended December 31, 2012 and 2011, respectively.

Participant's Account
Each participant's account is credited with the participant's deferral contribution, the Company's matching and profit sharing contributions, and earnings of the participant's individual account. The benefit to which each participant is entitled is the benefit that can be provided from the participant's account.

Employees become eligible to participate in the contribution portion of the Plan on the first day of the month following the completion of three months of service. Employees may change their plan contribution twice per year (January 1st and July 1st) and may stop their plan contribution at anytime. Employees become eligible to participate in the safe harbor contribution after completion of one year of service. A participant will receive an allocation of the Company's profit sharing contributions if the participant is employed by the Company on the last day of the Plan year, has completed one year of service and has completed at least 1,000 hours during such Plan year, as defined in the Plan document.

Vesting and Forfeitures
Participants are immediately 100% vested in their deferral contributions and in their allocation of the Company's matching contribution and the related earnings thereon. The Company's profit sharing contribution becomes vested based on the participant's number of years of service with the Company according to the following schedule: 2 years – 20% vested; 3 years – 40% vested; 4 years – 60% vested; 5 years – 80% vested; and 6 years or more – 100% vested.

Non-vested balances of participants' accounts may be subject to forfeiture upon termination of their employment with the Company. Forfeiture occurs in the plan year in which a participant receives a distribution of their vested account or after five consecutive one-year breaks in service, as defined. Forfeitures used to reduce the Company's current year matching and profit sharing contributions for the years ended December 31, 2012 and 2011 totalled $14,853 and $27,999 respectively. Forfeitures were applied first to reduce the funding of the company match in the amount of $14,853 and $26,058 for 2012 and 2011, respectively. The balance of the forfeitures were used to reduce the funding of the profit sharing contribution in the amount of $0 and $1,941, respectively, for 2012 and 2011.

Notes Receivable from Participants
Participants may borrow from their deferral contributions fund account a minimum of $1,000 to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loans must be repaid within five years unless used for purchase of a primary residence. Loans are secured by the vested balance of the participant's account and bear interest at the Wells Fargo Prime plus 1% that is in effect on the date of the loan application. Interest rates ranged between 4.25%-8.25% as of December 31, 2012. Principal and interest are paid rateably through monthly payroll deductions.

Benefit Payments
The Plan provides for distributions to participants or their beneficiaries, upon retirement, death, disability, or termination of employment. A participant's account may be distributed:

1. in a single payment;
2. installments for a period not to exceed the life expectancy of the participant and/or the participant's designated beneficiary;
3. any other payment form providing for installments in approximately equal amounts;
4. a combination of the above

The Plan also provides for hardship withdrawals from a participant's elective deferral account in the event of an immediate and heavy financial hardship, as defined. Certain restrictions apply.

If the Plan is terminated, the assets will be liquidated and distributed, less the proportionate share of the expenses of the termination, to the participants. The Company does not have any present intention to terminate the Plan.

Investments
The Plan maintains separate accounts for all participants. The contributions related to these accounts are invested in accordance with directives from the individual participants in shares in registered investment companies available through the trustee as approved by the trustees. These investments are reported at the quoted market price for such funds on the last business day of the year.

Administrative Expenses
Administrative costs and expenses, including trustee, legal, loan administration, and accounting fees are paid out of the Plan unless paid directly by the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those net assets.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Payments of Benefits
Benefits are recorded when paid.

3. Information Certified by the Plan's Trustee

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate.

December 31,	**2012**	2011
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**$ 28,190,025**	$ 24,612,588
Notes receivable from participants	**$ 1,144,506**	$ 1,173,771

Years ended December 31,	**2012**	2011
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Other income – notes receivable from participants interest	**$ 48,214**	$ 61,957
Dividend income	**$ 1,041,673**	$ 598,042
Other investment (loss) income	**$ 49,210**	$ 42,511

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

4. Investments

The following investments represent 5% or more of net assets available for benefits:

December 31,	**2012**	2011
Wells Fargo Investment Money Market Fund	**$ 5,380,617**	$ 3,953,304
American Century Inflation Adjusted Bond	**3,271,489**	3,046,112
Davis NY Venture A	**3,229,621**	2,677,470
American Growth Fund of America	**2,815,870**	2,016,065
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Wells Fargo Outlook 2030 Fund I	**2,117,318**	1,635,480
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RS Investments Partners	*****	1,691,720

***** *less than 5%*

During 2012 and 2011, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated and depreciated in value by $2,269,089 and $989,572, respectively.

5. Fair Value Measurements

FASB ASC 820, (FASB Statement No. 157, "*Fair Value Measurements*"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Money Market and Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the plan's assets at fair value:

December 31, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market account	**$ 5,380,617**	**$ -**	**$ -**	**$ 5,380,617**
Mutual funds	**28,190,025**	**-**	**-**	**28,190,025**
	$ 33,570,642	**$ -**	**$ -**	**$ 33,570,642**

December 31, 2011	Level 1	Level 2	Level 3	Total
Money market account	$ 3,953,304	$ -	$ -	$ 3,953,304
Mutual funds	24,612,588	-	-	24,612,588
	$ 28,565,892	$ -	$ -	$ 28,565,892

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

7. Internal Revenue Service Status

The Plan is based on the Prototype Nonstandardized 401(k) Profit Sharing Plan of Wells Fargo Bank, N.A., the trustee of the Plan. The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

8. Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. is the trustee of the Plan and therefore, these transactions qualify as party-in-interest.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

10. Non-exempt Prohibited Transactions

During the Plan year ended December 31, 2011, employee withholdings in the amount of $2,790 were not remitted within the appropriate time period by the Company. These transactions constitute non-exempt prohibited transactions as defined by ERISA. The Company is aware of the occurrence and has taken the appropriate steps to correct the situation, and has further implemented a procedure to ensure all future remittances are done within the prescribed time period.

11. Subsequent Events

The Plan has evaluated subsequent events occurring after December 31, 2012, the date of the most recent statement of net assets available for benefits date, through October 11, 2013, the date the financial statements were issued. The Plan does not believe any subsequent events have occurred that would require further disclosure or adjustment to the financial statements.

Supplemental Schedules

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost		Current Value
*	Wells Fargo Investment Money Market Fund	Registered Investment Company	*a*	$	5,380,617
	Mutual Funds:				
	American Century Inflation Adjusted Bond	Registered Investment Company	*a*		3,271,489
	Goldman Sachs Core Fixed Income	Registered Investment Company	*a*		984,674
	Franklin Templeton Convertable Securities A	Registered Investment Company	*a*		459,104
	Oakmark Equity & Income I	Registered Investment Company	*a*		2,176,258
	T. Rowe Price Equity Income	Registered Investment Company	*a*		1,059,296
	Davis NY Venture A	Registered Investment Company	*a*		3,229,621
	American Growth Fund of America	Registered Investment Company	*a*		2,815,870
	Artisan Mid Cap Investment	Registered Investment Company	*a*		2,104,813
	Goldman Sachs Small Cap Value	Registered Investment Company	*a*		713,248
	Goldman Sachs Mid Cap Value	Registered Investment Company	*a*		824,918
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	American Funds Europacific Growth	Registered Investment Company	*a*		1,448,655
	Invesco Real Estate Fund - A	Registered Investment Company	*a*		523,220
	Franklin Templeton Global Bond Fund – Adv	Registered Investment Company	*a*		926,790
*	Wells Fargo Outlook Today Fund I	Registered Investment Company	*a*		308,028
*	Wells Fargo Outlook 2010 Fund I	Registered Investment Company	*a*		1,070,588
*	Wells Fargo Outlook 2020 Fund I	Registered Investment Company	*a*		1,003,428
*	Wells Fargo Outlook 2030 Fund I	Registered Investment Company	*a*		2,117,318
*	Wells Fargo Outlook 2040 Fund I	Registered Investment Company	*a*		462,818
*	Wells Fargo Outlook 2050 Fund I	Registered Investment Company	*a*		592,133
	Total Mutual Funds				28,190,025
*	Notes receivable from participants	141 loans to participants with interest rates ranging from 4.25% - 8.25%	-		1,144,506
				$	34,715,148

The above information has been certified by the trustee as being complete and accurate.

* *A party-in-interest as defined by ERISA.*

a *The cost of participant-directed investments is not required to be disclosed.*

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
Year Ended December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

Plan Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions: Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2011	$ 2,790	$ -	$ 2,790	$	$ -

(1) Department of Labor Reg. 2510.3-102 requires that all employee contributions are submitted to the Plan not later than 15 business days following the end of the month in which the amounts were withheld from compensation. Failure to remit on a timely basis is considered a nonexempt prohibited transaction with a party-in-interest.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

ctm Calhoun, Thomson+Matza, LLP
Certified Public Accountants

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2012 and 2011

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

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Independent Auditors' Report

Plan Sponsor and Administrator
Service Lloyds Insurance Company
Austin, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the years ended December 31, 2012 and 2011, that the information provided to the plan

administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules, Schedule of Delinquent Participant Contributions and Schedule of Assets (Held at End of Year), as of and for the year ended December 31, 2012 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Calhoun, Thomson & Matza, LLP

October 11, 2013

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Net Assets Available for Benefits

December 31,	**2012**	2011
Assets		
Investments, at fair value:		
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**28,190,025**	24,612,588
Total investments	**33,570,642**	28,565,892
Notes receivable from participants	**1,144,506**	1,173,771
Contributions receivable:		
Employee	**-**	73
Employer	**1,468,778**	1,469,034
Total contributions receivable	**1,468,778**	1,469,107
Net assets available for benefits	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years ended December 31,	**2012**	2011
Additions:		
Investment income:		
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Dividend income	**1,041,673**	598,042
Other investment (loss) income	**49,210**	42,511
Total investment income (loss)	**3,359,972**	(349,019)
Other income	**48,214**	61,957
Contributions:		
Employer match	**515,503**	512,536
Employer profit sharing	**1,466,925**	1,468,976
Employee deferrals	**1,043,263**	1,026,647
Employee rollovers	**-**	6,863
Total contributions	**3,025,691**	3,015,022
Total additions	**6,433,877**	2,727,960
Deductions:		
Benefit payments	**1,406,427**	1,506,300
Administrative expenses	**52,294**	46,711
Total deductions	**1,458,721**	1,553,011
Net increase	**4,975,156**	1,174,949
Net assets available for benefits:		
Beginning of year	**31,208,770**	30,033,821
End of year	**$ 36,183,926**	$ 31,208,770

See accompanying notes to financial statements.

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Notes to Financial Statements

1. Description of the Plan

The following description of the Service Lloyds Insurance Company Profit Sharing and 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established and effective on January 1, 1968. All employees Service Lloyds Insurance Company (the "Company") are eligible to participate in the Plan. The Plan provides for a qualified cash or deferred arrangement described in Section 401(k) of the Internal Revenue Code (the "Code"). The Plan is administered and trusteed by Wells Fargo Bank, N.A. and is subject to the Employee Retirement Income Security Act of 1974.

Investments and Investment Options

The Company selects and makes available as investment options various mutual funds. All participants self-direct their investments and may change their investment options daily.

Contributions

Participants may elect to contribute to the Plan up to the maximum dollar limitation contained in Section 402(g) of the Code in effect at the beginning of the plan year. Such contributions are recorded by the Plan in the period in which the Company makes applicable payroll deductions.

The Company may elect to make a matching contribution to all employees as a percentage of the employee's deferral compensation, as defined, subject to the limits provided by the Code. The Company may also elect to make a profit sharing contribution with allocation based on the participant's compensation, as defined.

For the years ended December 31, 2012 and 2011, the Company elected to contribute a match contribution to all employees at a rate of 100% of the first 3% and 50% of the next 2% of their deferral compensation. The total matching contribution, net of forfeitures, for 2012 and 2011 was $515,503 and $512,536, respectively. Additionally, the Company elected to make a profit sharing contribution, net of forfeitures, in the amount of $1,466,925 and $1,468,976 for the years ended December 31, 2012 and 2011, respectively.

Participant's Account
Each participant's account is credited with the participant's deferral contribution, the Company's matching and profit sharing contributions, and earnings of the participant's individual account. The benefit to which each participant is entitled is the benefit that can be provided from the participant's account.

Employees become eligible to participate in the contribution portion of the Plan on the first day of the month following the completion of three months of service. Employees may change their plan contribution twice per year (January 1st and July 1st) and may stop their plan contribution at anytime. Employees become eligible to participate in the safe harbor contribution after completion of one year of service. A participant will receive an allocation of the Company's profit sharing contributions if the participant is employed by the Company on the last day of the Plan year, has completed one year of service and has completed at least 1,000 hours during such Plan year, as defined in the Plan document.

Vesting and Forfeitures
Participants are immediately 100% vested in their deferral contributions and in their allocation of the Company's matching contribution and the related earnings thereon. The Company's profit sharing contribution becomes vested based on the participant's number of years of service with the Company according to the following schedule: 2 years – 20% vested; 3 years – 40% vested; 4 years – 60% vested; 5 years – 80% vested; and 6 years or more – 100% vested.

Non-vested balances of participants' accounts may be subject to forfeiture upon termination of their employment with the Company. Forfeiture occurs in the plan year in which a participant receives a distribution of their vested account or after five consecutive one-year breaks in service, as defined. Forfeitures used to reduce the Company's current year matching and profit sharing contributions for the years ended December 31, 2012 and 2011 totalled $14,853 and $27,999 respectively. Forfeitures were applied first to reduce the funding of the company match in the amount of $14,853 and $26,058 for 2012 and 2011, respectively. The balance of the forfeitures were used to reduce the funding of the profit sharing contribution in the amount of $0 and $1,941, respectively, for 2012 and 2011.

Notes Receivable from Participants
Participants may borrow from their deferral contributions fund account a minimum of $1,000 to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loans must be repaid within five years unless used for purchase of a primary residence. Loans are secured by the vested balance of the participant's account and bear interest at the Wells Fargo Prime plus 1% that is in effect on the date of the loan application. Interest rates ranged between 4.25%-8.25% as of December 31, 2012. Principal and interest are paid rateably through monthly payroll deductions.

Benefit Payments
The Plan provides for distributions to participants or their beneficiaries, upon retirement, death, disability, or termination of employment. A participant's account may be distributed:

1. in a single payment;
2. installments for a period not to exceed the life expectancy of the participant and/or the participant's designated beneficiary;
3. any other payment form providing for installments in approximately equal amounts;
4. a combination of the above

The Plan also provides for hardship withdrawals from a participant's elective deferral account in the event of an immediate and heavy financial hardship, as defined. Certain restrictions apply.

If the Plan is terminated, the assets will be liquidated and distributed, less the proportionate share of the expenses of the termination, to the participants. The Company does not have any present intention to terminate the Plan.

Investments
The Plan maintains separate accounts for all participants. The contributions related to these accounts are invested in accordance with directives from the individual participants in shares in registered investment companies available through the trustee as approved by the trustees. These investments are reported at the quoted market price for such funds on the last business day of the year.

Administrative Expenses
Administrative costs and expenses, including trustee, legal, loan administration, and accounting fees are paid out of the Plan unless paid directly by the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those net assets.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Payments of Benefits
Benefits are recorded when paid.

3. Information Certified by the Plan's Trustee

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate.

December 31,	**2012**	2011
Money market account	**$ 5,380,617**	$ 3,953,304
Mutual funds	**$ 28,190,025**	$ 24,612,588
Notes receivable from participants	**$ 1,144,506**	$ 1,173,771

Years ended December 31,	**2012**	2011
Net appreciation (depreciation) in fair value of mutual funds	**$ 2,269,089**	$ (989,572)
Other income – notes receivable from participants interest	**$ 48,214**	$ 61,957
Dividend income	**$ 1,041,673**	$ 598,042
Other investment (loss) income	**$ 49,210**	$ 42,511

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

4. Investments

The following investments represent 5% or more of net assets available for benefits:

December 31,	**2012**	2011
Wells Fargo Investment Money Market Fund	**$ 5,380,617**	$ 3,953,304
American Century Inflation Adjusted Bond	**3,271,489**	3,046,112
Davis NY Venture A	**3,229,621**	2,677,470
American Growth Fund of America	**2,815,870**	2,016,065
Oakmark Equity & Income I	**2,176,258**	2,389,126
Wells Fargo Outlook 2030 Fund I	**2,117,318**	1,635,480
Artisan Mid Cap Investment	**2,104,813**	2,348,668
RS Investments Partners	*****	1,691,720

***** *less than 5%*

During 2012 and 2011, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated and depreciated in value by $2,269,089 and $989,572, respectively.

5. Fair Value Measurements

FASB ASC 820, (FASB Statement No. 157, "*Fair Value Measurements*"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Money Market and Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the plan's assets at fair value:

December 31, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market account	**$ 5,380,617**	**$ -**	**$ -**	**$ 5,380,617**
Mutual funds	**28,190,025**	**-**	**-**	**28,190,025**
	$ 33,570,642	**$ -**	**$ -**	**$ 33,570,642**

December 31, 2011	Level 1	Level 2	Level 3	Total
Money market account	$ 3,953,304	$ -	$ -	$ 3,953,304
Mutual funds	24,612,588	-	-	24,612,588
	$ 28,565,892	$ -	$ -	$ 28,565,892

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

7. Internal Revenue Service Status

The Plan is based on the Prototype Nonstandardized 401(k) Profit Sharing Plan of Wells Fargo Bank, N.A., the trustee of the Plan. The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

8. Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. is the trustee of the Plan and therefore, these transactions qualify as party-in-interest.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

10. Non-exempt Prohibited Transactions

During the Plan year ended December 31, 2011, employee withholdings in the amount of $2,790 were not remitted within the appropriate time period by the Company. These transactions constitute non-exempt prohibited transactions as defined by ERISA. The Company is aware of the occurrence and has taken the appropriate steps to correct the situation, and has further implemented a procedure to ensure all future remittances are done within the prescribed time period.

11. Subsequent Events

The Plan has evaluated subsequent events occurring after December 31, 2012, the date of the most recent statement of net assets available for benefits date, through October 11, 2013, the date the financial statements were issued. The Plan does not believe any subsequent events have occurred that would require further disclosure or adjustment to the financial statements.

Supplemental Schedules

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost		Current Value
*	Wells Fargo Investment Money Market Fund	Registered Investment Company	*a*	$	5,380,617
	Mutual Funds:				
	American Century Inflation Adjusted Bond	Registered Investment Company	*a*		3,271,489
	Goldman Sachs Core Fixed Income	Registered Investment Company	*a*		984,674
	Franklin Templeton Convertable Securities A	Registered Investment Company	*a*		459,104
	Oakmark Equity & Income I	Registered Investment Company	*a*		2,176,258
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*	Wells Fargo Outlook 2040 Fund I	Registered Investment Company	*a*		462,818
*	Wells Fargo Outlook 2050 Fund I	Registered Investment Company	*a*		592,133
	Total Mutual Funds				28,190,025
*	Notes receivable from participants	141 loans to participants with interest rates ranging from 4.25% - 8.25%	-		1,144,506
				$	34,715,148

The above information has been certified by the trustee as being complete and accurate.

* *A party-in-interest as defined by ERISA.*

a *The cost of participant-directed investments is not required to be disclosed.*

Service Lloyds Insurance Company
Profit Sharing and 401(k) Plan

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
Year Ended December 31, 2012

Employer Identification Number: 74-2227733
Plan Number: 001
Form: 5500

Plan Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions: Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2011	$ 2,790	$ -	$ 2,790	$	$ -

(1) Department of Labor Reg. 2510.3-102 requires that all employee contributions are submitted to the Plan not later than 15 business days following the end of the month in which the amounts were withheld from compensation. Failure to remit on a timely basis is considered a nonexempt prohibited transaction with a party-in-interest.