



QUARTERLY STATEMENT

AS OF MARCH 31 , 2011

OF THE CONDITION AND AFFAIRS OF THE

HARLEYSVILLE INSURANCE COMPANY OF OHIO

NAIC Group Code 0253, 0253 NAIC Company Code 10060 Employer's ID Number 31-1411772

(Current Period) (Prior Period)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized July 1, 1994 Commenced Business July 1, 1994

Statutory Home Office 41 South High Street, Columbus, Ohio 43215-6101

(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 355 Maple Avenue, Harleysville, Pennsylvania 19438-2297 215-256-5000

(Street and Number, City or Town, State and Zip Code)

(Area Code) (Telephone Number)

Mail Address 355 Maple Avenue, Harleysville, Pennsylvania 19438-2297

(Street and Number or P. O. Box, City or Town, State and Zip Code)

Primary Location of Books and Records 355 Maple Avenue, Harleysville, Pennsylvania 19438-2297

(Street and Number, City or Town, State and Zip Code)

215-256-5000

(Area Code) (Telephone Number)

Internet Website Address www.harleysvillegroup.com

Statutory Statement Contact Thomas Daniel Sykes 215-256-5713

(Name)

(Area Code) (Telephone Number) (Extension)

tsykes@harleysvillegroup.com 215-256-5627

(E-Mail Address)

(Fax Number)

OFFICERS

William Devereux Granato (President & COO)
Robert Andrew Kauffman (Secretary)
Mark Ralph Cummins (Treasurer & Assistant Secretary)

OTHER OFFICERS

Allan Robert Becker (Vice President & Chief Actuary)
David Keith Bond (Vice President)
Theodore Anthony Majewski (Vice President)

DIRECTORS OR TRUSTEES

Allan Robert Becker
Michael Leon Browne
Arthur Edmund Chandler
Mark Ralph Cummins
Robert Andrew Kauffman
Kevin Michael Toth

State of }
County of } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

William Devereux Granato
President & COO

Robert Andrew Kauffman
Secretary

Mark Ralph Cummins
Treasurer & Assistant Secretary

Subscribed and sworn to before me this
day of 2011

a. Is this an original filing? Yes (X) No ()
b. If no: 1. State the amendment number 0
2. Date filed
3. Number of pages attached 0

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Col. 1 minus Col. 2)	December 31 Prior Year Net Admitted Assets
1. Bonds	33,223,218	0	33,223,218	33,955,677
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	1,035	0	1,035	1,035
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$ 0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ 0 encumbrances)	0	0	0	0
5. Cash (\$ 0), cash equivalents (\$ 0) and short-term investments (\$ 2,256,411)	2,256,411	0	2,256,411	1,678,468
6. Contract loans (including \$ 0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Line 1 to Line 11)	35,480,664	0	35,480,664	35,635,180
13. Title plants less \$ 0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	362,628	0	362,628	443,473
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	38,087	2,934	35,153	67,192
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	7,823	0	7,823	8,344
15.3 Accrued retrospective premiums	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	18,615
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	1,068,584	412,635	655,949	707,010
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ 0)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	343,858	0	343,858	351,182
24. Health care (\$ 0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0	2,788
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	37,301,644	415,569	36,886,075	37,233,784
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Totals (Line 26 and Line 27)	37,301,644	415,569	36,886,075	37,233,784
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Line 1001 through Line 1103 plus Line 1198) (Line 11 above)	0	0	0	0
2501. Equities in pools and associations	0	0	0	2,788
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	0	0	0	2,788

STATEMENT AS OF MARCH 31, 2011 OF THE HARLEYSVILLE INSURANCE COMPANY OF OHIO

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 1,414,445)	15,107,357	15,315,929
2. Reinsurance payable on paid losses and loss adjustment expenses	448,694	0
3. Loss adjustment expenses	4,087,593	4,109,881
4. Commissions payable, contingent commissions and other similar charges	37,586	117,877
5. Other expenses (excluding taxes, licenses and fees)	53,258	124,626
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	94,903	161,885
7.1 Current federal and foreign income taxes (including \$ (22,285)on realized capital gains (losses))	187,051	211,166
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ 0 and interest thereon \$ 0	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 28,596 and including warranty reserves of \$ 0)	5,131,521	5,648,833
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	762	2,698
12. Ceded reinsurance premiums payable (net of ceding commissions)	(2,525)	(9,964)
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	23,683	23,775
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ 0 and interest thereon \$ 0	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25)	25,169,883	25,706,706
27. Protected cell liabilities	0	0
28. Total liabilities (Line 26 and Line 27)	25,169,883	25,706,706
29. Aggregate write-ins for special surplus funds	103,614	106,968
30. Common capital stock	1,000,000	1,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	5,000,000	5,000,000
35. Unassigned funds (surplus)	5,612,578	5,420,110
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 30 \$ 0)	0	0
36.2 0 shares preferred (value included in Line 31 \$ 0)	0	0
37. Surplus as regards policyholders (Line 29 through Line 35, less Line 36)	11,716,192	11,527,078
38. Totals	36,886,075	37,233,784
DETAILS OF WRITE-INS		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	0	0
2901. Add'l surplus from increased admitted DTA through application of para. 10e of SSAP 10R	103,614	106,968
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)	103,614	106,968
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 13,701)	21,442	16,736	94,000
1.2 Assumed (written \$ 1,979,598)	2,497,208	2,616,238	10,836,739
1.3 Ceded (written \$ 13,701)	21,740	19,432	101,359
1.4 Net (written \$ 1,979,598)	2,496,910	2,613,542	10,829,380
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 1,806,535):			
2.1 Direct	175,277	117,590	61,464
2.2 Assumed	1,460,476	1,555,385	5,866,636
2.3 Ceded	174,567	119,720	63,526
2.4 Net	1,461,186	1,553,255	5,864,574
3. Loss adjustment expenses incurred	338,940	345,602	1,491,752
4. Other underwriting expenses incurred	794,437	947,355	3,797,048
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Line 2 through Line 5)	2,594,563	2,846,212	11,153,374
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(97,653)	(232,670)	(323,994)
INVESTMENT INCOME			
9. Net investment income earned	356,446	390,868	1,529,029
10. Net realized capital gains (losses) less capital gains tax of \$ (22,285)	22,285	0	0
11. Net investment gain (loss) (Line 9 plus Line 10)	378,731	390,868	1,529,029
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 1)	(1)	(25)	(39)
13. Finance and service charges not included in premiums	476	773	2,817
14. Aggregate write-ins for miscellaneous income	(348)	0	(903)
15. Total other income (Line 12 through Line 14)	127	748	1,875
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	281,205	158,946	1,206,910
17. Dividends to policyholders	2,405	5,030	12,297
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	278,800	153,916	1,194,613
19. Federal and foreign income taxes incurred	(5,419)	42,281	231,747
20. Net income (Line 18 minus Line 19) (to Line 22)	284,219	111,635	962,866
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	11,527,078	11,748,040	11,748,040
22. Net income (from Line 20)	284,219	111,635	962,866
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	0	(45)	(29)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(69,050)	14,043	(276)
27. Change in nonadmitted assets	4,353	7,037	29,289
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	(27,054)	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	(1,206,000)
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	(3,354)	(2,839)	(6,812)
38. Change in surplus as regards policyholders (Line 22 through Line 37)	189,114	129,831	(220,962)
39. Surplus as regards policyholders, as of statement date (Line 21 plus Line 38)	11,716,192	11,877,871	11,527,078
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)	0	0	0
1401. Miscellaneous income/expense	(348)	0	(903)
1402. Miscellaneous accrued income	0	0	(7,670)
1403. Miscellaneous accrued expenses	0	0	7,670
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)	(348)	0	(903)
3701. Chg. in add'l surplus from increased admitted DTA through application of SSAP 10R	(3,354)	(2,839)	(6,812)
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)	(3,354)	(2,839)	(6,812)

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	2,017,175	2,785,271	11,130,021
2. Net investment income	470,252	517,161	1,714,101
3. Miscellaneous income	126	748	1,875
4. Total (Line 1 through Line 3)	2,487,553	3,303,180	12,845,997
5. Benefit and loss related payments	1,202,450	1,165,563	5,833,437
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,415,928	1,563,403	5,310,536
8. Dividends paid to policyholders	4,340	2,478	12,097
9. Federal and foreign income taxes paid (recovered) net of \$ (3,589) tax on capital gains (losses)	(3,589)	0	348,956
10. Total (Line 5 through Line9)	2,619,129	2,731,444	11,505,026
11. Net cash from operations (Line 4 minus Line 10)	(131,576)	571,736	1,340,971
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	1,268,679	604,227	5,773,187
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalants and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	1,268,679	604,227	5,773,187
13. Cost of investments acquired (long-term only):			
13.1 Bonds	569,180	0	4,408,032
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Line 13.1 through Line 13.6)	569,180	0	4,408,032
14. Net increase or (decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	699,499	604,227	1,365,155
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	1,206,000
16.6 Other cash provided (applied)	10,020	493,002	(27,115)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	10,020	493,002	(1,233,115)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	577,943	1,668,965	1,473,011
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	1,678,468	205,457	205,457
19.2 End of period (Line 18 plus Line 19.1)	2,256,411	1,874,422	1,678,468

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

20.0001	0	0	0
20.0002	0	0	0
20.0003	0	0	0
20.0004	0	0	0
20.0005	0	0	0
20.0006	0	0	0
20.0007	0	0	0
20.0008	0	0	0
20.0009	0	0	0
20.0010	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Harleysville Insurance Company of Ohio (herein referred to as "the Company") are presented on the basis of accounting practices prescribed or permitted by the Insurance Department of the State of Ohio.

The State of Ohio requires insurance companies domiciled in Ohio to prepare their financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) subject to any deviations prescribed or permitted by the Ohio Insurance Department.

At March 31, 2011, there were no differences in net income, statutory surplus or risk-based capital between NAIC SAP and the domiciliary state's basis of statutory accounting.

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

No change.

C. Accounting Policy

No change.

2. Accounting Changes and Corrections of Errors

Effective January 1, 2011 the Company adopted the provisions of SSAP 35R, "Guaranty Fund and Other Assessments". The cumulative effect of the change in accounting principles required from this adoption resulted in a decrease in unassigned funds (surplus) of \$27,054.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable

C. Impairment Loss

Not applicable

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

1. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from consensus broker dealer survey values using Bloomberg as a source.

2. Not applicable.

3. Not applicable.

4. Not applicable.

5. Not applicable.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable.

F. Real Estate

Not applicable.

G. Investments in Low-Income Housing Tax Credits (LIHTC)

Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable.

B. Writedowns for Impairments of Joint Ventures, Partnerships and LLCs

Not applicable.

7. Investment Income

No change.

NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments
Not applicable.
9. Income Taxes
No change.
10. Information Concerning Parent, Subsidiaries and Affiliates
No change.
11. Debt
Not applicable.
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
No change.
13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations
No change.
14. Contingencies
No change.
15. Leases
No change.
16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk
Not applicable.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales
Not applicable.

B. Transfer and Servicing of Financial Assets
Not applicable.

C. Wash Sales
Not applicable.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
Not applicable.
20. Fair Value Measurement

A. Inputs Used for Assets and Liabilities Measured At Fair Value

(1) Fair Value Measurements by Levels 1, 2, and 3

The Company has categorized its assets and liabilities that are measured at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable inputs which are based on the Company's own assumptions. The three levels are defined as follows:

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: Unadjusted quoted market prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 - Significant Other Observable Inputs: Inputs other than Level 1 that are based on observable market data. These include quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from, or corroborated by, observable market data.

Level 3 - Significant Unobservable Inputs: Inputs that are unobservable, reflecting the Company's own assumptions.

(1) Description	(2) Level 1	(3) Level 2	(4) Level 3	(5) Total
a. Assets at fair value				
Common Stocks				
Industrial & miscellaneous	0	0	1,035	1,035
Mutual funds	0	0	0	0
Total Common Stocks	0	0	1,035	1,035
Total assets at fair value	0	0	1,035	1,035
b. Liabilities at fair value				
None				

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below.

STATEMENT AS OF MARCH 31, 2011 OF THE HARLEYSVILLE INSURANCE COMPANY OF OHIO

NOTES TO FINANCIAL STATEMENTS

During the current year, no transfers between Levels 1 and 2 occurred.

(2) Rollforward of Level 3 Items

The following table presents additional information about assets measured at fair value on a recurring basis for which significant unobservable inputs (Level 3) were used to determine fair value.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Balance at 1/1/2011	Transfers in Level 3	Transfers out Level 3	Total Gains (Losses) Included in Net Income	Total Gains (Losses) Included in Surplus	Purchases, Issuances, Sales, and Settlements	Balance at 03/31/2011
Common Stocks	1,035						1,035
Total	1,035						1,035

(3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

During the current year, no transfers into or out of Level 3 occurred.

(4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 2 category.

Common stocks measured at fair value in the Level 3 category were valued using the most recent pricing data available in the Valuation of Securities (VOS) Database published by the NAIC Securities Valuation Office (SVO).

(5) Derivative Fair Values

Not applicable.

B. This disclosure requirement was removed by the NAIC in December, 2010.

C. Other Fair Value Disclosures

Not applicable.

D. Reasons Not Practical to Estimate Fair Value

Not applicable.

21. Other Items

No change.

22. Events Subsequent

Type I - Recognized Subsequent Events

Subsequent events have been considered through 5/09/2011 for the statutory statement issued on 5/09/2011.

There are no Type I events that have occurred subsequent to the close of the books for this statement, which may have a material effect on the financial condition of the Company.

Type II - Nonrecognized Subsequent Events

Subsequent events have been considered through 5/09/2011 for the statutory statement issued on 5/09/2011.

There are no Type II events that have occurred subsequent to the close of the books for this statement, which may have a material effect on the financial condition of the Company.

23. Reinsurance

No change.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Change in Incurred Losses and Loss Adjustment Expenses

In 2011, the Company recognized net favorable development in the provision for insured events of prior years of \$160,000. The favorable development primarily relates to lower-than-expected claims severity broadly experienced across all casualty lines in accident years 2003 through 2008.

26. Intercompany Pooling Arrangements

As of March 31, 2011, the amounts receivable/(payable) from/(to) HMIC and all affiliated entities participating in the intercompany pool are as follows:

<u>Company</u>	<u>Premiums Receivable</u>	<u>Premiums Payable</u>	<u>Reinsurance Recoverable</u>	<u>Reinsurance Payable</u>	<u>Net Amount Due</u>
Harleysville Mutual Insurance Company	6,697,749		57,073,237		63,770,985
Harleysville Preferred Insurance Company		(4,796,379)		(20,946,217)	(25,742,596)
Harleysville Insurance Co. of New Jersey				(13,825,513)	(13,825,513)
Harleysville-Atlantic Insurance Company				(4,701,041)	(4,701,041)
Harleysville Pennland Insurance Company				(3,731,380)	(3,731,380)
Harleysville Insurance Company of Ohio				(448,694)	(448,694)
Harleysville Worcester Insurance Company				(2,776,913)	(2,776,913)
Harleysville Insurance Company of New York				(582,503)	(582,503)
Harleysville Lake States Insurance Company				(6,071,221)	(6,071,221)
Harleysville Insurance Company		(1,901,370)		(3,989,756)	(5,891,126)
	<u>6,697,749</u>	<u>(6,697,749)</u>	<u>57,073,237</u>	<u>(57,073,237)</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS

The inter-company pooling balances are settled quarterly. Offsets against pooling receivable and payable balances are taken as permitted.

Effective January 1, 2011, the Company and its affiliates amended their intercompany pooling arrangement. The amendment establishes that the financial results associated with workers compensation business for accident years 2011 and following will be retained 100 percent by Harleysville Mutual Insurance Company (HMIC). At the same time, the financial results of prior accident years will continue to be shared between HMIC and the Company under the existing pool participations.

- 27. Structured Settlements
Not applicable.
- 28. Health Care Receivables
Not applicable.
- 29. Participating Policies
Not applicable.
- 30. Premium Deficiency Reserves
Not applicable.
- 31. High Deductibles
Not applicable.
- 32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses
No change.
- 33. Asbestos/Environmental Reserves
No change.
- 34. Subscriber Savings Accounts
Not applicable.
- 35. Multiple Peril Crop Insurance
Not applicable.
- 36. Financial Guaranty Insurance
Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes () No (X)
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes () No ()
- 2.1

Has any change been made during the year of this statement in the charter , by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes () No (X)
- 2.2

If yes, date of change:

.....
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes () No (X)
- If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes () No (X)
- 4.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s) , managing general agent(s) , attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes () No () N/A (X)
- If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2009
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2004
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date) .

06/30/2006
- 6.4

By what department or departments?

Ohio
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes () No () N/A (X)
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes (X) No () N/A ()
- 7.1

Has this reporting entity had any Certificates of Authority , licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action , either formal or informal, if a confidentiality clause is part of the agreement.)

Yes () No (X)
- 7.2

If yes, give full information

.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes () No (X)
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes () No (X)
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB) , the Office of the Comptroller of the Currency (OCC) , the Office of Thrift Supervision (OTS) , the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator .

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....
.....
.....

GENERAL INTERROGATORIES (continued)

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes (X) No ()
- 9.11

If the response to 9.1 is No, please explain:

.....
.....
- 9.2

Has the code of ethics for senior managers been amended?

Yes () No (X)
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s) .

.....
.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes () No (X)
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s) .

.....
.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes (X) No ()
- 10.2

If yes, indicate the amounts receivable from parent included in the Page 2 amount:

\$ 343,858

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes () No (X)
- 11.2

If yes, give full and complete information relating thereto:

.....
.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$ 0
13.

Amount of real estate and mortgages held in short-term investments:

\$ 0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes () No (X)
- 14.2

If yes, please complete the following:
- | | <div><div>1</div><div>Prior Year-End Book/
Adjusted Carrying Value</div></div> | <div><div>2</div><div>Current Quarter Book/
Adjusted Carrying Value</div></div> |
|---|--|---|
| 14.21 Bonds | \$ 0 | \$ 0 |
| 14.22 Preferred Stock | \$ 0 | \$ 0 |
| 14.23 Common Stock | \$ 0 | \$ 0 |
| 14.24 Short-Term Investments | \$ 0 | \$ 0 |
| 14.25 Mortgage Loans on Real Estate | \$ 0 | \$ 0 |
| 14.26 All Other | \$ 0 | \$ 0 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26) | \$ 0 | \$ 0 |
| 14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above | \$ 0 | \$ 0 |
- 15.1

Has the reporting entity entered into any hedging transactions reported on schedule DB?

Yes () No (X)
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

If no, attach a description with this statement.

Yes () No ()

GENERAL INTERROGATORIES (continued)

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()

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

1 Name of Custodian(s)	2 Custodian Address
Bank of New York Mellon	One Wall St., New York, NY 10286
.....
.....
.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes () No (X)

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

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

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....
.....
.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

17.2 If no, list exceptions:

.....
.....

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY AND CASUALTY INTERROGATORIES

1.

If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?

If yes, attach an explanation.

Yes (X) No () N/A ()

2.

Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?

If yes, attach an explanation.

Yes () No (X)

3.1

Have any of the reporting entity's primary reinsurance contracts been cancelled?

Yes () No (X)

3.2

If yes, give full and complete information thereto
.....
.....
.....

4.1

Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero?

Yes () No (X)

4.2

If yes, complete the Discount Schedule.

5.

Operating Percentages:

5.1

A&H loss percent

..... 0.0 %

5.2

A&H cost containment percent

..... 0.0 %

5.3

A&H expense percent excluding cost containment expenses

..... 0.0 %

6.1

Do you act as a custodian for health savings accounts?

Yes () No (X)

6.2

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

\$ 0

6.3

Do you act as an administrator for health savings accounts?

Yes () No (X)

6.4

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

\$ 0

SCHEDULE F - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1	2	3	4	5
NAIC Company Code	Federal ID Number	Name of Reinsurer	Domiciliary Jurisdiction	Is Insurer Authorized? (Yes or No)

0199999 - Affiliates

U. S. Insurers
42374 74-2195939 Houston Casualty Company TX No
0299999 - U. S. Insurers

0399999 - Pools and Associations

All Other Insurers
00000 AA-1126780 Lloyd's Underwriting Syndicate No. 0780 GB Yes
0499999 - All Other Insurers

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1		Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
	Active Status		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	N	0	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0	0
5. California	CA	N	0	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0	0
15. Indiana	IN	N	0	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0
23. Michigan	MI	L	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0
34. North Carolina	NC	Q	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0
36. Ohio	OH	L	13,701	10,191	499,585	24,457	4,357,947	5,166,817
37. Oklahoma	OK	N	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U. S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a) 2		13,701	10,191	499,585	24,457	4,357,947	5,166,817
DETAILS OF WRITE-INS								
5801.	XXX		0	0	0	0	0	0
5802.	XXX		0	0	0	0	0	0
5803.	XXX		0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0
5899. TOTALS (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)	XXX		0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer;
(E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

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

PART 1 - ORGANIZATIONAL CHART

NONE

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	Prior Year to Date Direct Loss Percentage
1. Fire	1,092	63	5.8	(53.6)
2. Allied lines	603	51	8.5	481.7
3. Farmowners multiple peril	0	0	0.0	0.0
4. Homeowners multiple peril	2,113	2,092	99.0	75.4
5. Commercial multiple peril	10,563	330,530	3,129.1	17,106.0
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	6	107	1,783.3	(3,118.5)
10. Financial guaranty	0	0	0.0	0.0
11.1 Medical professional liability-occurrence	0	0	0.0	0.0
11.2 Medical professional liability-claims made	0	0	0.0	0.0
12. Earthquake	15	5	33.3	(840.0)
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	0	0	0.0	0.0
17.1 Other liability-occurrence	348	(1,010)	(290.2)	510.4
17.2 Other liability-claims made	0	0	0.0	0.0
17.3 Excess Workers' Compensation	0	0	0.0	0.0
18.1 Products liability-occurrence	0	(62)	0.0	0.0
18.2 Products liability-claims made	0	0	0.0	0.0
19.1, 19.2 Private passenger auto liability	135	(5,463)	(4,046.7)	871.6
19.3, 19.4 Commercial auto liability	4,460	(150,492)	(3,374.3)	(2,448.2)
21. Auto physical damage	2,107	(498)	(23.6)	85.7
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	0	0	0.0	0.0
24. Surety	0	0	0.0	0.0
26. Burglary and theft	0	(46)	0.0	0.0
27. Boiler and machinery	0	0	0.0	0.0
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	0.0
30. Warranty	0	0	0.0	0.0
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	21,442	175,277	817.4	702.6
DETAILS OF WRITE-INS				
3401.	0	0	0.0	0.0
3402.	0	0	0.0	0.0
3403.	0	0	0.0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year to Date
1. Fire	1,501	1,501	1,446
2. Allied lines	824	824	789
3. Farmowners multiple peril	0	0	0
4. Homeowners multiple peril	0	0	0
5. Commercial multiple peril	2,437	2,437	(4,699)
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	0	0	0
10. Financial guaranty	0	0	0
11.1 Medical professional liability-occurrence	0	0	0
11.2 Medical professional liability-claims made	0	0	0
12. Earthquake	0	0	0
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	0	0	0
17.1 Other liability-occurrence	62	62	62
17.2 Other liability-claims made	0	0	0
17.3 Excess Workers' Compensation	0	0	0
18.1 Products liability-occurrence	0	0	0
18.2 Products liability-claims made	0	0	0
19.1, 19.2 Private passenger auto liability	0	0	438
19.3, 19.4 Commercial auto liability	6,691	6,691	8,932
21. Auto physical damage	2,186	2,186	3,223
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	0	0	0
27. Boiler and machinery	0	0	0
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	13,701	13,701	10,191
DETAILS OF WRITE-INS			
3401.	0	0	0
3402.	0	0	0
3403.	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34)	0	0	0

PART 3 (000 Omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Prior Year- End Known Case Loss and LAE Reserves	Prior Year- End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Column 1 plus Column 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Column 4 plus Column 5)	Q. S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q. S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q. S. Date IBNR Loss and LAE Reserves	Total Q. S. Loss and LAE Reserves (Column 7 plus Column 8 plus Column 9)	Prior Year- End Known Case Loss and LAE Reserves Developed (Savings) / Deficiency (Column 4 plus Column 7 minus Column 1)	Prior-Year-End IBNR Loss and LAE Reserves Developed (Savings) / Deficiency (Column 5 plus Column 8 plus Column 9 minus Column 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings) / Deficiency (Column 11 plus Column 12)
1. 2008 + Prior	..... 3,848	..... 7,435	..... 11,283	..... 557	..... 64	..... 621	..... 3,536	..... 23	..... 6,844	..... 10,403	..... 245	..... (504)	..... (259)
2. 2009	..... 1,210	..... 2,065	..... 3,275	..... 185	..... 36	..... 221	..... 1,167	..... 15	..... 1,876	..... 3,058	..... 142	..... (138)	..... 4
3. Subtotals 2009 + prior	..... 5,058	..... 9,500	..... 14,558	..... 742	..... 100	..... 842	..... 4,703	..... 38	..... 8,720	..... 13,461	..... 387	..... (642)	..... (255)
4. 2010	..... 1,299	..... 3,568	..... 4,867	..... 541	..... 215	..... 756	..... 1,217	..... 76	..... 2,910	..... 4,203	..... 459	..... (367)	..... 92
5. Subtotals 2010 + prior	..... 6,357	..... 13,068	..... 19,425	..... 1,283	..... 315	..... 1,598	..... 5,920	..... 114	..... 11,630	..... 17,664	..... 846	..... (1,009)	..... (163)
6. 2011	X X X	X X X	X X X	X X X	..... 433	..... 433	X X X	..... 425	..... 1,105	..... 1,530	X X X	X X X	X X X
7. Totals	..... 6,357	..... 13,068	..... 19,425	..... 1,283	..... 748	..... 2,031	..... 5,920	..... 539	..... 12,735	..... 19,194	..... 846	..... (1,009)	..... (163)
8. Prior Year- End Surplus As Regards Policy- holders	..... 11,527										Column 11, Line 7 As % of Column 1, Line 7	Column 12, Line 7 As % of Column 2, Line 7	Column 13, Line 7 As % of Column 3, Line 7
											1. 13.3 %	2. (7.7) %	3. (0.8) %
													Column 13, Line 7 Line 8
													4. (1.4) %

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Responses

1. Will the Trusted Surplus Statement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

BARCODE:

Document Identifier 490:



2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?

NO

EXPLANATION:

BARCODE:

Document Identifier 455:



3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

BARCODE:

Document Identifier 365:



4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

BARCODE:

Document Identifier 505:



SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after ac	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/ac	0	0
7. Deduct current year's other than temporar	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 minus		
Line 5 plus Line 6 minus Line 7 plus Line 8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after a	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mort	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Line 1 plus Line 2 plus		
Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)	0	0
12. Total Valuation Allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after a	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus		
Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	33,956,711	35,465,666
2. Cost of bonds and stocks acquired	569,180	4,408,032
3. Accrual of discount	5,163	22,507
4. Unrealized valuation increase (decrease)	0	(46)
5. Total gain (loss) on disposals	0	0
6. Deduct consideration for bonds and stocks disposed of	1,268,679	5,773,187
7. Deduct amortization of premium	38,123	166,261
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus		
Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9)	33,224,252	33,956,711
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	33,224,252	33,956,711

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	35,130,863	2,026,575	2,144,849	(32,960)	34,979,629	0	0	35,130,863
2. Class 2 (a)	500,000	0	0	0	500,000	0	0	500,000
3. Class 3 (a)	0	0	0	0	0	0	0	0
4. Class 4 (a)	0	0	0	0	0	0	0	0
5. Class 5 (a)	0	0	0	0	0	0	0	0
6. Class 6 (a)	0	0	0	0	0	0	0	0
7. Total Bonds	35,630,863	2,026,575	2,144,849	(32,960)	35,479,629	0	0	35,630,863
PREFERRED STOCK								
8. Class 1	0	0	0	0	0	0	0	0
9. Class 2	0	0	0	0	0	0	0	0
10. Class 3	0	0	0	0	0	0	0	0
11. Class 4	0	0	0	0	0	0	0	0
12. Class 5	0	0	0	0	0	0	0	0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	35,630,863	2,026,575	2,144,849	(32,960)	35,479,629	0	0	35,630,863

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$ 2,256,411 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999 Totals	2,256,411	X X X	2,256,411	140	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book / adjusted carrying value, December 31 of prior year	1,675,186	205,457
2. Cost of short-term investments acquired	1,457,395	7,360,958
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	876,170	5,891,229
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)	2,256,411	1,675,186
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	2,256,411	1,675,186

Page SI04

Schedule DB, Part A, Verification
NONE

Schedule DB, Part B, Verification
NONE

Page SI05

Schedule DB, Pt. C, Section 1, Replicated (Synthetic Assets) Open
NONE

Page SI06

Sch DB, Pt C, Sn 2, Replication (Syn Assets) Transactions Open
NONE

Page SI07

Schedule DB, Verification
NONE

Page SI08

Schedule E, Verification (Cash Equivalents)
NONE

Page E01

Sch. A, Pt. 2, Real Estate Acquired
NONE

Sch. A, Pt. 3, Real Estate Disposed
NONE

Page E02

Schedule B, Part 2, Mortgage Loans Acquired
NONE

Schedule B, Part 3, Mortgage Loans Disposed
NONE

Page E03

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired
NONE

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed
NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U. S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions									
259003-CM-1	DOUGLAS CNTY GA		02/01/2011	CITIGROUP TAX EXEMPT		569,180	500,000.00	0	1FE
3199999	Subtotal - Bonds - U. S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					569,180	500,000.00	0	
8399997	Subtotal - Bonds - Part 3					569,180	500,000.00	0	
8399999	Subtotal - Bonds					569,180	500,000.00	0	
9999999	TOTALS					569,180		0	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues : 0 .

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identifi- cation	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B. /A. C. V. (11+12-13)	Total Foreign Exchange Change in B. /A. C. V.	Book /Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designa- tion or Market Indi- cator (a)
Bonds - U. S. Governments																					
912827-6T-4	UNITED STATES TREAS NTS		02/15/2011	MATURITY		500,000	500,000.00	520,352	500,499	0	(499)	0	(499)	0	500,000	0	0	0	12,500	02/15/2011	1
0599999	Subtotal - Bonds - U. S. Governments					500,000	500,000.00	520,352	500,499	0	(499)	0	(499)	0	500,000	0	0	0	12,500		
Bonds - U. S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
31394X-JT-4	FHLMC REMIC SERIES 2772		03/01/2011	MBS PAYDOWN		39,052	39,052.00	37,435	39,026	0	26	0	26	0	39,052	0	0	0	397	04/01/2017	1
31395A-KJ-3	FHLMC REMIC SERIES 2810		03/01/2011	MBS PAYDOWN		45,916	45,916.00	46,046	45,916	0	0	0	0	0	45,916	0	0	0	453	06/01/2033	1
3199999	Subtotal - Bonds - U. S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					84,968	84,968.00	83,480	84,942	0	26	0	26	0	84,968	0	0	0	850		
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
048312-AF-9	ATLANTIC CITY ELEC FDG 20		01/20/2011	MBS PAYDOWN		23,139	23,139.00	23,126	23,086	0	53	0	53	0	23,139	0	0	0	258	10/20/2016	1FE
06406H-AY-5	BANK NEW YORK MTN BK ENT		01/14/2011	MATURITY		500,000	500,000.00	487,580	499,893	0	107	0	107	0	500,000	0	0	0	12,375	01/14/2011	1FE
12617A-AD-9	CPL TRANSITION FDG LLC		01/15/2011	MBS PAYDOWN		78,798	78,798.00	78,732	78,620	0	178	0	178	0	78,798	0	0	0	2,348	07/15/2015	1FE
575800-AD-9	MASSACHUSETTS RRB	ABS	03/15/2011	MBS PAYDOWN		81,773	81,773.00	81,768	81,645	0	128	0	128	0	81,773	0	0	0	1,689	09/15/2013	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					683,711	683,711.00	671,206	683,245	0	466	0	466	0	683,711	0	0	0	16,670		
8399997	Subtotal - Bonds - Part 4					1,268,679	1,268,679.00	1,275,037	1,268,685	0	(7)	0	(7)	0	1,268,679	0	0	0	30,020		
8399999	Subtotal - Bonds					1,268,679	1,268,679.00	1,275,037	1,268,685	0	(7)	0	(7)	0	1,268,679	0	0	0	30,020		
9999999	TOTALS					1,268,679		1,275,037	1,268,685	0	(7)	0	(7)	0	1,268,679	0	0	0	30,020		

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0

Page E06

Schedule DB, Part A, Section 1
NONE

Financial or Economic Impact of the Hedge
NONE

Page E07

Schedule DB, Part B, Section 1
NONE

Schedule DB, Part B, Section 1, Broker Name
NONE

Schedule DB, Part B, Financial or Economic Impact of the Hedge
NONE

Page E08

Schedule DB, Part D
NONE

Page E09

Schedule DL, Part 1
NONE

Page E10

Schedule DL, Part 2
NONE

Page E11

Schedule E, Part 1, Cash
NONE

Page E12

Schedule E, Part 2, Cash Equivalents
NONE