



QUARTERLY STATEMENT

As of March 31, 2011
of the Condition and Affairs of the

Affinity Mutual Insurance Company

NAIC Group Code.....	NAIC Company Code..... 16748	Employer's ID Number..... 34-4317240
(Current Period) (Prior Period)		
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... December 17, 1934	Commenced Business..... May 1, 1935	
Statutory Home Office	722 North Cable Road..... Lima OH 45805-1795 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	722 North Cable Road..... Lima OH 45805-1795 (Street and Number) (City or Town, State and Zip Code)	419-227-6604 (Area Code) (Telephone Number)
Mail Address	722 North Cable Road..... Lima OH 45805-1795 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	722 North Cable Road..... Lima OH 45805-1795 (Street and Number) (City or Town, State and Zip Code)	419-227-6604 (Area Code) (Telephone Number)
Internet Web Site Address	www.affinity-mutual.com	
Statutory Statement Contact	Brent A. Helmke (Name) bhelmke@affinity-mutual.com (E-Mail Address)	419-227-6604 (Area Code) (Telephone Number) (Extension) 419-224-4874 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Jack L. Brinkman	President	2. Jack L. Brinkman	Secretary
3. Daniel R. Combs	Treasurer	4.	
OTHER			
Eldon M. Helmke	Chairman	David W. Seemann	Vice Chairman

DIRECTORS OR TRUSTEES

Daniel R. Combs	David W. Seemann	Alvin J. King	Fred G. Bunke
Lee W. Kaemming	Scott W. Boulis	Eldon M. Helmke	Dale N. Hirschfeld
Gary L. Luginbill			

State of..... Ohio
County of..... Allen

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.

(Signature)	(Signature)	(Signature)
Jack L. Brinkman	Jack L. Brinkman	Daniel R. Combs
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This _____ day of _____	b. If no:	
	1. State the amendment number	_____
	2. Date filed	_____
	3. Number of pages attached	_____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	4,130,498		4,130,498	4,107,317
2. Stocks:				
2.1 Preferred stocks.....	330,238		330,238	320,960
2.2 Common stocks.....	5,831,343	926	5,830,417	4,915,744
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	100,146		100,146	101,030
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....1,275,624), cash equivalents (\$.....0) and short-term investments (\$.....1,177,709).....	2,453,333		2,453,333	2,652,320
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	12,845,558	926	12,844,632	12,097,371
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	60,523		60,523	60,010
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	345,267		345,267	335,474
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	2,000,558		2,000,558	1,822,350
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	21,594		21,594	145,654
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	230,557
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	113,270		113,270	148,807
18.2 Net deferred tax asset.....	38,423		38,423	99,989
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	6,245		6,245	7,619
21. Furniture and equipment, including health care delivery assets (\$.....0).....	4,342	4,342	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	15,435,781	5,268	15,430,513	14,947,831
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	15,435,781	5,268	15,430,513	14,947,831

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501.			0	
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

			1	2
			Current Statement Date	December 31 Prior Year
1.	Losses (current accident year \$.....282,316).....		969,987	838,700
2.	Reinsurance payable on paid losses and loss adjustment expenses.....			
3.	Loss adjustment expenses.....		170,905	183,195
4.	Commissions payable, contingent commissions and other similar charges.....		292,104	374,056
5.	Other expenses (excluding taxes, licenses and fees).....		79,845	144,373
6.	Taxes, licenses and fees (excluding federal and foreign income taxes).....		11,640	24,054
7.1	Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....			
7.2	Net deferred tax liability.....			
8.	Borrowed money \$.....0 and interest thereon \$.....0.....			
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....384,592 and including warranty reserves of \$.....0).....		3,227,459	2,980,047
10.	Advance premium.....		9,512	4,074
11.	Dividends declared and unpaid:			
11.1	Stockholders.....			
11.2	Policyholders.....			
12.	Ceded reinsurance premiums payable (net of ceding commissions).....		277,358	247,342
13.	Funds held by company under reinsurance treaties.....			
14.	Amounts withheld or retained by company for account of others.....			980
15.	Remittances and items not allocated.....			
16.	Provision for reinsurance.....			
17.	Net adjustments in assets and liabilities due to foreign exchange rates.....			
18.	Drafts outstanding.....			
19.	Payable to parent, subsidiaries and affiliates.....			
20.	Derivatives.....			
21.	Payable for securities.....			
22.	Payable for securities lending.....			
23.	Liability for amounts held under uninsured plans.....			
24.	Capital notes \$.....0 and interest thereon \$.....0.....			
25.	Aggregate write-ins for liabilities.....		0	0
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25).....		5,038,811	4,796,821
27.	Protected cell liabilities.....			
28.	Total liabilities (Lines 26 and 27).....		5,038,811	4,796,821
29.	Aggregate write-ins for special surplus funds.....		0	0
30.	Common capital stock.....			
31.	Preferred capital stock.....			
32.	Aggregate write-ins for other than special surplus funds.....		0	0
33.	Surplus notes.....			
34.	Gross paid in and contributed surplus.....			
35.	Unassigned funds (surplus).....		10,391,701	10,151,009
36.	Less treasury stock, at cost:			
36.1	0.000 shares common (value included in Line 30 \$.....0).....			
36.2	0.000 shares preferred (value included in Line 31 \$.....0).....			
37.	Surplus as regards policyholders (Lines 29 to 35, less 36).....		10,391,701	10,151,009
38.	Totals.....		15,430,513	14,947,831

DETAILS OF WRITE-INS

2501.	Line 15 from 2000 Annual Statement.....		
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....2,024,155).....	1,746,374	1,626,047	6,794,129
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....811,208).....	780,840	751,205	3,161,179
1.4 Net..... (written \$.....1,212,947).....	965,534	874,843	3,632,950
DEDUCTIONS:			
2. Losses incurred (current accident year \$....465,165):			
2.1 Direct.....	1,053,725	555,421	1,025,830
2.2 Assumed.....			
2.3 Ceded.....	634,648	140,386	(334,843)
2.4 Net.....	419,077	415,035	1,360,673
3. Loss adjustment expenses incurred.....	121,981	91,213	439,879
4. Other underwriting expenses incurred.....	470,020	540,825	1,838,223
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	1,011,078	1,047,073	3,638,776
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(45,544)	(172,231)	(5,825)
INVESTMENT INCOME			
9. Net investment income earned.....	53,470	73,078	301,771
10. Net realized capital gains (losses) less capital gains tax of \$....42,613.....	120,191	105,688	147,022
11. Net investment gain (loss) (Lines 9 + 10).....	173,661	178,766	448,792
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....5,542).....	(5,542)	(757)	(1,643)
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	183	39	790
15. Total other income (Lines 12 through 14).....	(5,360)	(718)	(853)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	122,757	5,818	442,114
17. Dividends to policyholders.....			
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).....	122,757	5,818	442,114
19. Federal and foreign income taxes incurred.....	(7,076)	(39,002)	52,625
20. Net income (Line 18 minus Line 19) (to Line 22).....	129,833	44,820	389,489
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	10,151,009	9,295,394	9,295,394
22. Net income (from Line 20).....	129,833	44,820	389,489
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	172,122	182,762	636,218
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(61,566)	(51,762)	(171,445)
27. Change in nonadmitted assets.....	303	338	1,354
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	240,692	176,158	855,616
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	10,391,701	9,471,551	10,151,009
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Lines 23 and 29 from 2000 Annual Statement.....			
1402. Miscellaneous Income.....	183	39	790
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	183	39	790
3701. Lines 23 and 29 from 2000 Annual Statement.....			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	1,060,400	916,472	3,616,834
2. Net investment income	67,869	68,832	294,035
3. Miscellaneous income	(5,360)	(718)	(853)
4. Total (Lines 1 through 3)	1,122,910	984,586	3,910,016
5. Benefit and loss related payments	(66,827)	426,722	1,725,341
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	763,184	798,560	2,212,314
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		103,059	190,034
10. Total (Lines 5 through 9)	696,358	1,328,340	4,127,689
11. Net cash from operations (Line 4 minus Line 10)	426,552	(343,755)	(217,673)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	338,030	810,953	2,019,838
12.2 Stocks	851,090	778,027	4,399,826
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,189,120	1,588,980	6,419,664
13. Cost of investments acquired (long-term only):			
13.1 Bonds	369,567	350,550	2,490,591
13.2 Stocks	1,445,789	1,231,728	4,276,250
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,815,356	1,582,278	6,766,841
14. Net increase (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(626,236)	6,702	(347,177)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	697	1,756	4,300
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	697	1,756	4,300
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)	(198,988)	(335,297)	(560,550)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,652,320	3,212,870	3,212,870
19.2 End of period (Line 18 plus Line 19.1)	2,453,332	2,877,573	2,652,320

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

20.0001			
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Affinity Mutual Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. The Ohio Department of Insurance has adopted the National Association of Insurance Commissioner's (NAIC) Accounting Practices and Procedures Manual as the permitted practice for the filing of financial statements.

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

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

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of the premiums written. Such reserves are computed on a pro-rata basis.

Expenses incurred in the connection with acquiring new insurance business, including such acquisitions costs as sales commissions, are charged to operations as incurred.

Investments are stated at amortized cost or market value based on the NAIC Accounting Practice and Procedures Manual and the Purpose and Procedures Manual of the NAIC Securities Valuation Office.

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

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

None.

Note 4 - Discontinued Operations

None.

Note 5 - Investments

As of March 31, 2011 individual investments were reviewed to determine if an other than temporary impairment should be recorded and after reviewing the investments and the corresponding NAIC guidance no impairment was applied. One loaned-backed security investment is NAIC rated 3 with a market value of \$159 thousand and an amortized cost value of \$168 thousand. The \$9 thousand difference is recorded as an unrealized loss.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

None.

Note 7 - Investment Income

Affinity Mutual Insurance Company has \$0 excluded investment income.

Note 8 - Derivative Instruments

None.

NOTES TO FINANCIAL STATEMENTS

Note 9 - Income Taxes

A. The components of the Net Deferred Tax Asset/(Liability) as of March 31, 2011 are as follows:

	3/31/2011	12/31/2010	Difference
Total of all Deferred Tax Assets	\$250,911	\$241,950	\$8,961
Total of all Deferred Tax Liabilities	\$212,488	\$141,961	\$70,527
Net Deferred Tax Asset/(Liabilities)	\$38,423	\$99,989	(\$61,566)
C. Income - Federal Tax Incurred	\$35,537	\$52,625	(\$17,088)

D. The main components of the Deferred Tax amounts are as follows:

	3/31/2011	12/31/2010	Difference
<u>Deferred Tax Assets</u>			
Unearned Premium Reserve (Ordinary)	\$220,114	\$202,920	\$17,194
Discounted Loss Reserves (Ordinary)	\$10,571	\$10,571	\$0
Other (Ordinary)	\$20,226	\$28,458	(\$8,233)
Total Deferred Tax Assets	\$250,911	\$241,950	\$8,961
<u>Deferred Tax Liabilities</u>			
Unrealized Gain (Capital)	\$206,561	\$135,299	\$71,262
Fixed Assets (Ordinary)	\$1,713	\$2,045	(\$332)
Dividend Accrual (Ordinary)	\$4,214	\$4,617	(\$403)
Total Deferred Tax Liabilities	\$212,488	\$141,961	\$70,527

E. Additional disclosures:

The amount of federal taxes incurred in 2009 that is available for recoupment in the event of future net losses is \$194,363.
The amount of federal taxes incurred in 2010 that is available for recoupment in the event of future net losses is \$46,193.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

Affinity Mutual Insurance Company owns all outstanding shares of Ohio Insurance Services, Inc. This Subsidiary is valued using the equity method. The equity in Ohio Insurance Services, Inc. (\$926) is treated as a non-admitted asset.

Note 11 - Debt

None.

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

Affinity Mutual Insurance Company has a 401(k) profit sharing plan.

Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses:

- a. Unrealized gains and losses \$607,532

Note 14 - Contingencies

No significant change.

Note 15 - Leases

None.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None.

NOTES TO FINANCIAL STATEMENTS

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

C. Wash Sales - None.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

N/A.

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

None.

Note 20 - Fair Value

A. Fair Value Measurements as of March 31, 2011

Description	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
<u>Preferred Stock</u>				
Industrial & Miscellaneous	\$330,238			\$330,238
<u>Bonds</u>				
Industrial & Miscellaneous	\$158,696			\$158,696
<u>Common Stock</u>				
Industrial & Miscellaneous	\$5,368,520			\$5,368,520
Subsidiary	\$926			\$926
Mutual Funds	\$461,897			\$461,897
Total Common Stock	\$5,831,343			\$5,831,343
Total Assets Reported at Fair Value	\$6,320,277	\$0	\$0	\$6,320,277

Note 21 - Other Items

None.

Note 22 - Events Subsequent

None.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

None.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2010 were \$1.022 million. As of March 31, 2011, \$160 thousand has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$589 thousand as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore there has been a \$3 thousand favorable prior year development since December 31, 2001 to March 31, 2011. This decrease is generally the result from ongoing analysis of loss developmental trends. Original reserve estimates are increased and decreased as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

N/A.

NOTES TO FINANCIAL STATEMENTS

Note 27 - Structured Settlements

None.

Note 28 - Health Care Receivables

N/A.

Note 29 - Participating Policies

N/A.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - High Deductibles

None.

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No significant change.

Note 33 - Asbestos/Environmental Reserves

None.

Note 34 - Subscriber Savings Accounts

None.

Note 35 - Multiple Peril Crop Insurance

None.

Note 36 - Financial Guaranty Insurance

None.

Affinity Mutual Insurance Company

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?
If yes, complete the Schedule Y-Part 1 - Organizational chart.

Yes [☐]

No [☒ X]

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	2	3
Name of Entity	NAIC Company Code	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?
If yes, attach an explanation.

Yes [☐]

No [☐]

N/A [☒ X]

6.1

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

12/31/2010.....

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.

12/31/2005.....

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).

5/18/2007.....

6.4

By what department or departments?
Ohio Department of Insurance

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 [☐]

No [☐]

N/A [☒ X]

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?

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

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]

Affinity Mutual Insurance Company

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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 [☐] No [☒ X]

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

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 [☒ X] No [☐]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End	Current Quarter
	Book/Adjusted Carrying Value	Book/Adjusted Carrying Value
14.21 Bonds.....	\$0	\$0
14.22 Preferred Stock.....	\$0	\$0
14.23 Common Stock.....	\$926	\$926
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 Lines 14.21 to 14.26).....	\$926	\$926
14.28 Total Investment in Parent included in Lines 14.21 to 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? Yes [☐] No [☒ X]
If no, attach a description with this statement.

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	2
Name of Custodian(s)	Custodian Address
Fifth Third Bank	38 Fountain Square Plaza, Cincinnati, Ohio 45263
Wells Fargo Advisors, LLC	28300 Kensington Lane, Perrysburg, Ohio 43551

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	2	3
Name(s)	Location(s)	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	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

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

1	2	3
Central Registration Depository	Name(s)	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:

Affinity Mutual Insurance Company
GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & 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 [] No [] N/A [X]

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 canceled?

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 liabilities 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 following schedule:

1	2	3	Total Discount				Discount Taken During Period			
Line of Business	Maximum Interest	Disc. Rate	4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
						0				0
Total.....	XXX...	XXX.....	0	0	0	0	0	0	0	0

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 amount of funds administered as of the reporting date.

0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)
Pools & Associations				
00000.....	AA-9991501.....	Indiana Mine Subsidence Fund.....	N/A.....	NO.....

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		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						
2. Alaska.....AK	N						
3. Arizona.....AZ	N						
4. Arkansas.....AR	N						
5. California.....CA	N						
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	N						
9. District of Columbia.....DC	N						
10. Florida.....FL	N						
11. Georgia.....GA	N						
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	N						
15. Indiana.....IN	L	892,897	751,427	139,325	254,041	1,163,220	1,023,452
16. Iowa.....IA	N						
17. Kansas.....KS	N						
18. Kentucky.....KY	N						
19. Louisiana.....LA	N						
20. Maine.....ME	N						
21. Maryland.....MD	N						
22. Massachusetts.....MA	N						
23. Michigan.....MI	L	41,301	38,845	17,383	5,308	121,753	20,223
24. Minnesota.....MN	N						
25. Mississippi.....MS	N						
26. Missouri.....MO	N						
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	N						
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	N						
32. New Mexico.....NM	N						
33. New York.....NY	N						
34. North Carolina.....NC	N						
35. North Dakota.....ND	N						
36. Ohio.....OH	L	1,089,957	983,683	149,499	214,551	2,209,761	2,554,350
37. Oklahoma.....OK	N						
38. Oregon.....OR	N						
39. Pennsylvania.....PA	N						
40. Rhode Island.....RI	N						
41. South Carolina.....SC	N						
42. South Dakota.....SD	N						
43. Tennessee.....TN	N						
44. Texas.....TX	N						
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	N						
48. Washington.....WA	N						
49. West Virginia.....WV	N						
50. Wisconsin.....WI	N						
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a).....3	2,024,155	1,773,955	306,207	473,900	3,494,734	3,598,025

DETAILS OF WRITE-INS							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.....	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 + 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

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	290,201		0.0	33.6
2. Allied lines.....	193,467	16,021	8.3	55.1
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....	783,174	978,850	125.0	37.7
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	90,471	35,778	39.5	53.0
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....	118,039		0.0	
17.2 Other liability-claims made.....			0.0	
17.3 Excess workers' compensation.....			0.0	
18.1 Products liability-occurrence.....			0.0	
18.2 Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....	192,040	9,185	4.8	(3.3)
21. Auto physical damage.....	71,292	13,891	19.5	67.4
22. Aircraft (all perils).....			0.0	
23. Fidelity.....	2,606		0.0	
24. Surety.....	4,012		0.0	
26. Burglary and theft.....	1,073		0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			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	
35. Totals.....	1,746,374	1,053,725	60.3	34.2
DETAILS OF WRITE-INS				
3401.			0.0	
3402.			0.0	
3403.			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire.....	364,928	364,928	317,984
2. Allied lines.....	243,285	243,285	211,990
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....	837,644	837,644	761,519
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	113,978	113,978	97,421
10. Financial guaranty.....			
11.1 Medical professional liability - occurrence.....			
11.2 Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1 Other liability-occurrence.....	142,618	142,618	93,828
17.2 Other liability-claims made.....			
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....			
18.2 Products liability-claims made.....			
19.1 19.2 Private passenger auto liability.....			
19.3 19.4 Commercial auto liability.....	222,711	222,711	207,336
21. Auto physical damage.....	91,353	91,353	76,245
22. Aircraft (all perils).....			
23. Fidelity.....	2,418	2,418	2,109
24. Surety.....	4,561	4,561	4,781
26. Burglary and theft.....	659	659	742
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
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.....	2,024,155	2,024,155	1,773,955
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

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.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	YES

Explanation:

1.
2.
3.
4.

Bar Code:



Affinity Mutual Insurance Company
Overflow Page for Write-Ins

NONE

Affinity Mutual Insurance Company
SCHEDULE A - VERIFICATION
Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	101,030	104,566
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....	884	3,536
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	100,146	101,030
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	100,146	101,030

SCHEDULE B - VERIFICATION
Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
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 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
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.....	9,344,946	8,232,298
2. Cost of bonds and stocks acquired.....	1,815,356	6,766,841
3. Accrual of discount.....	44	850
4. Unrealized valuation increase (decrease).....	172,122	636,219
5. Total gain (loss) on disposals.....	162,804	147,022
6. Deduct consideration for bonds and stocks disposed of.....	1,189,120	6,419,664
7. Deduct amortization of premium.....	14,073	18,619
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	10,292,079	9,344,946
11. Deduct total nonadmitted amounts.....	926	926
12. Statement value at end of current period (Line 10 minus Line 11).....	10,291,153	9,344,021

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).....	4,635,995	235,132	329,225	(9,625)	4,532,277			4,635,995
2. Class 2 (a).....	486,803	134,485		(4,054)	617,234			486,803
3. Class 3 (a).....	187,150		33,805	5,351	158,696			187,150
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	5,309,948	369,617	363,030	(8,329)	5,308,207	0	0	5,309,948
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....	192,560			(85,440)	107,120			192,560
10. Class 3.....	128,400			94,718	223,118			128,400
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	320,960	0	0	9,278	330,238	0	0	320,960
15. Total Bonds and Preferred Stock.....	5,630,908	369,617	363,030	949	5,638,445	0	0	5,630,908

(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 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

QSI02

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals.....	1,177,709	XXX.....	1,177,709	66	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,202,632	564,172
2. Cost of short-term investments acquired.....	50	1,203,889
3. Accrual of discount.....	27	186
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	25,000	564,292
7. Deduct amortization of premium.....		1,323
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	1,177,709	1,202,632
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	1,177,709	1,202,632

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year).....	_____
2.	Cost paid/(consideration received) on additions.....	_____
3.	Unrealized valuation increase (decrease).....	_____
4.	Total gain (loss) on termination recognized.....	_____
5.	Considerations received (paid) on terminations.....	_____
6.	Amortization.....	_____
7.	Adjustment to the Book/Adjusted Carrying Value of hedge item.....	_____
8.	Total foreign exchange change in Book/Adjusted Carrying Value.....	_____
9.	Book/Adjusted Carrying Value, December 31, current year (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8).....	<u>0</u>
10.	Deduct nonadmitted assets.....	_____
11.	Statement value at end of current period (Line 9 minus Line 10).....	<u><u>0</u></u>

NONE

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

1.	Book/Adjusted Carrying Value, December 31, prior year.....	_____
2.	Net cash deposits (Section 1, Broker Name/Net Cash Deposits footnote).....	_____
3.1	Change in variation margin on open contracts.....	_____
3.2	Add:	
	Change in adjustment to basis of hedged item:	
3.21	Section 1, Column 17, current year to date minus.....	_____
3.22	Section 1, Column 17, prior year.....	<u>0</u>
	Change in amount recognized:	
3.23	Section 1, Column 16, current year to date minus.....	_____
3.24	Section 1, Column 16, prior year.....	<u>0</u> <u>0</u>
3.3	Subtotal (line 3.1 minus Line 3.2).....	<u>0</u>
4.1	Variation margin on terminated contracts during the year.....	_____
4.2	Less:	
4.21	Amount used to adjust basis of hedged item.....	_____
4.22	Amount recognized.....	<u>0</u>
4.3	Subtotal (line 4.1 minus Line 4.2).....	<u>0</u>
5.	Dispositions gains (losses) on contracts terminated in prior year:	
5.1	Recognized.....	_____
5.2	Used to adjust basis of hedged items.....	_____
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2).....	<u>0</u>
7.	Deduct nonadmitted assets.....	_____
8.	Statement value at end of current period (Line 6 minus Line 7).....	<u><u>0</u></u>

NONE

SCHEDULE DB - PART C - SECTION 1

Replicated (Synthetic) Assets Open as of Current Statement Date

Replicated (Synthetic) Asset								Components of the Replicated (Synthetic) Asset							
1	2	3	4	5	6	7	8	Derivative Instruments Open			Cash Instrument(s) Held				
		NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	9	10	11	12	13	14	15	16
Number	Description							Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Desig. or Other Description	Book/Adjusted Carrying Value	Fair Value

NONE

SCHEDULE DB - PART C - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replicated (Synthetic) Assets Statement Value	3 Number of Positions	4 Total Replicated (Synthetic) Assets Statement Value	5 Number of Positions	6 Total Replicated (Synthetic) Assets Statement Value	7 Number of Positions	8 Total Replicated (Synthetic) Assets Statement Value	9 Number of Positions	10 Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory.....			0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions.....									0	0
3. Add: Increases in Replicated Asset Statement Value.....	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions.....									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria.....									0	0
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value.....	XXX		XXX		XXX		XXX		XXX	0
7. Ending inventory.....	0	0	0	0	0	0	0	0	0	0

NONE

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

Book/Adjusted Carrying Value Check

1.	Part A, Section 1, Column 14.....	
2.	Part B, Section 1, Column 14.....	
3.	Total (Line 1 plus Line 2).....	0
4.	Part D, Column 5.....	
5.	Part D, Column 6.....	
6.	Total (Line 3 minus Line 4 minus Line 5).....	0

Fair Value Check

7.	Part A, Section 1, Column 16.....	
8.	Part B, Section 1, Column 13.....	
9.	Total (Line 7 plus Line 8).....	0
10.	Part D, Column 8.....	
11.	Part D, Column 9.....	
12.	Total (Line 9 minus Line 10 minus Line 11).....	0

Potential Exposure Check

13.	Part A, Section 1, Column 21.....	
14.	Part B, Section 1, Column 19.....	
15.	Part D, Column 11.....	
16.	Total (Line 13 plus Line 14 minus Line 15).....	0

NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of cash equivalents acquired.....		
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....		
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	0	0

NONE

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition

NONE

QE01

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract "

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other Than Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred

NONE

SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings

NONE

QE02

SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal

NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Desig- nation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership

NONE

QE03

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1	2	Location		5	6	7	8	Changes in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income

NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired 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. Government												
912828 PR 5	U. S. Treasury Note.....				...01/25/2011	Fifth-Third Bank.....			99,950	100,000		1.....
0599999.	Total - Bonds - U.S. Government.....								99,950	100,000	0	...XXX.....
Bonds - Industrial and Miscellaneous												
03523T AL 2	Anheuser-Busch InBev World Company Gtd.....				...02/17/2011	Wells Fargo Advisors, LLC.....			25,836	25,000	267	2FE.....
079860 AG 7	Bellsouth Corporate Global Bonds.....				...02/17/2011	Wells Fargo Advisors, LLC.....			27,726	25,000	571	1FE.....
06406H BE 8	Bank of New York Mellon Medium Term Notes.....				...02/17/2011	Wells Fargo Advisors, LLC.....			26,796	25,000	385	1FE.....
369550 AK 4	General Dynamic Corporation Global Notes.....				...02/17/2011	Wells Fargo Advisors, LLC.....			26,875	25,000	289	1FE.....
423074 AJ 2	Heinz HJ Company Senior Unsecured Notes.....				...02/17/2011	Wells Fargo Advisors, LLC.....			27,438	25,000	141	2FE.....
501044 CD 1	Kroger Company Senior Notes.....				...02/17/2011	Wells Fargo Advisors, LLC.....			26,788	25,000	293	2FE.....
577081 AS 1	Mattel Inc Note.....				...02/17/2011	Wells Fargo Advisors, LLC.....			27,046	25,000	617	2FE.....
59018Y J3 6	Merrill Lynch & Company Senior Unsecured Notes.....				...02/17/2011	Wells Fargo Advisors, LLC.....			26,747	25,000	34	1FE.....
595620 AC 9	MidAmerican Energy Company Medium Term Notes.....				...02/17/2011	Wells Fargo Advisors, LLC.....			26,988	25,000	135	1FE.....
94106L AR 0	Waste Management Inc Notes.....				...02/17/2011	Wells Fargo Advisors, LLC.....			27,378	25,000	549	2FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....								269,617	250,000	3,280	...XXX.....
8399997.	Total - Bonds - Part 3.....								369,567	350,000	3,280	...XXX.....
8399999.	Total - Bonds.....								369,567	350,000	3,280	...XXX.....

QE04

Common Stocks - Industrial and Miscellaneous											
01881G 10 6	AllianceBernstein Holding L.P.....				...01/20/2011	Wells Fargo Advisors, LLC.....	3,000.000	65,855	XXX.....		L.....
10552T 10 7	BRF - Brasil Foods S.A.....			F.....	...01/20/2011	Wells Fargo Advisors, LLC.....	3,000.000	53,729	XXX.....		L.....
118230 10 1	Buckeye Partners LP.....				...01/20/2011	Wells Fargo Advisors, LLC.....	1,000.000	66,549	XXX.....		L.....
17275R 10 2	Cisco Systems Inc.....				...01/20/2011	Wells Fargo Advisors, LLC.....	3,000.000	62,930	XXX.....		L.....
191216 10 0	Coca-Cola Company.....				...01/20/2011	Wells Fargo Advisors, LLC.....	1,000.000	63,550	XXX.....		L.....
449810 10 0	ING Risk Managed Natural Resources Fund.....			F.....	...01/20/2011	Wells Fargo Advisors, LLC.....	4,000.000	61,545	XXX.....		L.....
46625H 10 0	JP Morgan Chase & Company.....				...01/20/2011	Wells Fargo Advisors, LLC.....	1,000.000	44,720	XXX.....		L.....
500255 10 4	Kohls Corporation.....				...01/20/2011	Wells Fargo Advisors, LLC.....	1,000.000	51,892	XXX.....		L.....
583928 10 6	Medallion Financial Corporation.....				...01/20/2011	Wells Fargo Advisors, LLC.....	6,000.000	49,663	XXX.....		L.....
92205F 10 6	Vanguard Natural Resources LLC.....				...01/20/2011	Wells Fargo Advisors, LLC.....	2,000.000	58,902	XXX.....		L.....
00301W 10 5	Aberdeen Chile Fund Inc.....			F.....	...01/28/2011	Aberdeen Chile Fund Inc (Stock Dividend).....	200.000	4,122	XXX.....		L.....
G16252 10 1	Brookfield Infrastructure Partners LP.....			F.....	...02/17/2011	Wells Fargo Advisors, LLC.....	2,000.000	47,235	XXX.....		L.....
209034 10 7	Consolidated Communications Holdings Inc.....				...02/17/2011	Wells Fargo Advisors, LLC.....	3,000.000	55,480	XXX.....		L.....
26432K 10 8	Duff & Phelps Utility & Corporate Bond Trust Inc.....				...02/17/2011	Wells Fargo Advisors, LLC.....	5,000.000	54,937	XXX.....		L.....
428236 10 3	Hewlett-Packard Company.....				...02/17/2011	Wells Fargo Advisors, LLC.....	1,000.000	48,800	XXX.....		L.....
574599 10 6	Masco Corporation.....				...02/17/2011	Wells Fargo Advisors, LLC.....	5,000.000	66,297	XXX.....		L.....
859737 20 7	Sterlite Industries (India) Ltd.....			F.....	...02/17/2011	Wells Fargo Advisors, LLC.....	4,000.000	57,799	XXX.....		L.....
92205F 10 6	Vanguard Natural Resources LLC.....				...02/17/2011	Wells Fargo Advisors, LLC.....	2,000.000	62,774	XXX.....		L.....
209034 10 7	Consolidated Communications Holdings Inc.....				...03/17/2011	Wells Fargo Advisors, LLC.....	3,000.000	53,089	XXX.....		L.....
126650 10 0	CVS Caremark Corporation.....				...03/17/2011	Wells Fargo Advisors, LLC.....	2,000.000	67,180	XXX.....		L.....
343412 10 2	Fluor Corporation.....				...03/17/2011	Wells Fargo Advisors, LLC.....	1,000.000	69,620	XXX.....		L.....
H27178 10 4	Foster Wheeler AG.....			F.....	...03/17/2011	Wells Fargo Advisors, LLC.....	2,000.000	68,955	XXX.....		L.....

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired 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)
406216 10 1	Halliburton Company.....		...03/17/2011	Wells Fargo Advisors, LLC.....	2,000.000	89,089	XXX.....		L.....
880779 10 3	Terex Corporation.....		...03/17/2011	Wells Fargo Advisors, LLC.....	2,000.000	73,394	XXX.....		L.....
94987C 10 3	Wells Fargo Advatage Global Dividend Opportunity Fund.....		...03/17/2011	Wells Fargo Advisors, LLC.....	5,000.000	47,684	XXX.....		L.....
9099999.	Total - Common Stocks - Industrial & Miscellaneous.....					1,445,789	XXX.....	0	XXX.....
9799997.	Total - Common Stocks - Part 3.....					1,445,789	XXX.....	0	XXX.....
9799999.	Total - Common Stocks.....					1,445,789	XXX.....	0	XXX.....
9899999.	Total - Preferred and Common Stocks.....					1,445,789	XXX.....	0	XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....					1,815,356	XXX.....	3,280	XXX.....

(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 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 Identification	Description			F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in 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 Desig- nation or Market Indicator (a)

Bonds - U.S. Government

912828	JY	7	U. S. Treasury Note.....		01/31/2011	Matured.....		100,000	100,000	99,901	99,996		4		4		100,000			0	438	01/31/2011	1.....
0599999.	Total - Bonds - U.S. Government.....							100,000	100,000	99,901	99,996	0	4	0	4	0	100,000	0	0	0	438	XXX...	..XXX...

Bonds - U.S. Special Revenue and Special Assessment

31395L	BN	0	FHLMC Series 2925 Class CG.....		01/17/2011	Called.....		3,534	3,534	3,534	3,534				0		3,534			0	15	05/15/2011	1FE.....
31396E	SK	3	FHLMC Series 3075 Class CA.....		01/17/2011	Called.....		1,270	1,270	1,270	1,270				0		1,270			0	6	02/15/2012	1FE.....
31396R	3D	7	FHLMC Series 3152 Class TA.....		01/17/2011	Called.....		31,128	31,128	31,128	31,128				0		31,128			0	143	06/15/2013	1FE.....
31394U	Q7	0	FNMA Series 2005-110 Class KU.....		01/25/2011	Called.....		4,297	4,297	4,297	4,297				0		4,297			0	21	01/25/2011	1FE.....
31395H	J6	8	FHLMC Series 2877 Class BB.....		02/15/2011	Called.....		5,000	5,000	5,000	5,000				0		5,000			0	44	03/15/2011	1FE.....
31395L	BN	0	FHLMC Series 2925 Class CG.....		02/15/2011	Called.....		27,996	27,996	26,831	27,956		40		40		27,996			0	233	05/15/2011	1FE.....
31396E	SK	3	FHLMC Series 3075 Class CA.....		02/15/2011	Called.....		1,247	1,247	1,247	1,247				0		1,247			0	11	02/15/2012	1FE.....
31396R	3D	7	FHLMC Series 3152 Class TA.....		02/15/2011	Called.....		5,783	5,783	5,783	5,783				0		5,783			0	53	06/15/2013	1FE.....
31395H	J6	8	FHLMC Series 2877 Class BB.....		03/15/2011	Called.....		5,000	5,000	5,000	5,000				0		5,000			0	66	03/15/2011	1FE.....
31396E	SK	3	FHLMC Series 3075 Class CA.....		03/15/2011	Called.....		1,224	1,224	1,224	1,224				0		1,224			0	17	02/15/2012	1FE.....
31396R	3D	7	FHLMC Series 3152 Class TA.....		03/15/2011	Called.....		45	45	45	45				0		45			0	1	06/15/2013	1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Assessment.....							86,523	86,523	85,358	86,484	0	40	0	40	0	86,523	0	0	0	608	XXX...	..XXX...

Bonds - Industrial and Miscellaneous

05949C	AA	4	Bank of America CMO 2005-5 1A1.....		01/25/2011	Called.....		35,845	35,845	35,845	35,845				0		35,845			0	164	03/25/2011	12*.....
225458	JW	9	CS First Boston 05-3 3A1.....		01/25/2011	Called.....		15,771	15,771	15,771	15,771				0		15,771			0	72	01/25/2019	12*.....
225470	UY	7	CSMC Mortgage Series 06-1 3A8.....		01/25/2011	Called.....		22,119	22,119	22,119	20,557	1,563			1,563		22,119			0	106	03/25/2015	32*.....
05949C	AA	4	Bank of America CMO 2005-5 1A1.....		02/25/2011	Called.....		778	778	778	778				0		778			0	7	03/25/2011	12*.....
12669E	ZM	1	CWHL Series 2003-34 Class A11.....		02/25/2011	Called.....		6,137	6,137	6,137	6,137				0		6,137			0	54	03/25/2011	12*.....
225458	JW	9	CS First Boston 05-3 3A1.....		02/25/2011	Called.....		5,326	5,326	5,326	5,326				0		5,326			0	49	01/25/2019	12*.....
225470	UY	7	CSMC Mortgage Series 06-1 3A8.....		02/25/2011	Called.....		11,686	11,686	11,686	10,860	825			825		11,686			0	112	03/25/2015	32*.....
832110	AK	6	Smith International Inc Sr Unsecured.....		03/07/2011	Called.....		30,098	25,000	30,281	30,080		(305)		(305)		29,775		323	323	1,031	03/15/2014	1FE.....
05949C	AA	4	Bank of America CMO 2005-5 1A1.....		03/25/2011	Called.....		13,378	13,378	13,378	13,378				0		13,378			0	184	03/25/2011	12*.....
225458	JW	9	CS First Boston 05-3 3A1.....		03/25/2011	Called.....		5,802	5,802	5,802	5,802				0		5,802			0	80	01/25/2019	12*.....
12669E	ZM	1	CWHL Series 2003-34 Class A11.....		03/25/2011	Called.....		4,567	4,567	4,567	4,567				0		4,567			0	60	03/28/2011	12*.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....							151,506	146,408	151,689	149,101	2,388	(305)	0	2,083	0	151,183	0	323	323	1,919	XXX...	..XXX...
8399997.	Total - Bonds - Part 4.....							338,030	332,932	336,949	335,580	2,388	(262)	0	2,126	0	337,706	0	323	323	2,965	XXX...	..XXX...
8399999.	Total - Bonds.....							338,030	332,932	336,949	335,580	2,388	(262)	0	2,126	0	337,706	0	323	323	2,965	XXX...	..XXX...

Common Stocks - Industrial and Miscellaneous

149123	10	1	Caterpillar Inc.....		01/20/2011	Wells Fargo Advisors, LLC.....	1,000.000	93,567	XXX.....	59,420	93,660	34,240			34,240		59,420		34,147	34,147	440	XXX...	L.....
369604	10	3	General Electric Company.....		01/20/2011	Wells Fargo Advisors, LLC.....	3,500.000	64,009	XXX.....	48,203	64,015	15,813			15,813		48,203		15,807	15,807	490	XXX...	L.....
369604	10	3	General Electric Company.....		01/20/2011	Wells Fargo Advisors, LLC.....	3,500.000	64,009	XXX.....	55,721	64,015	8,295			8,295		55,721		8,289	8,289	490	XXX...	L.....
670346	10	5	Nucor Corporation.....		01/20/2011	Wells Fargo Advisors, LLC.....	1,000.000	44,017	XXX.....	44,048	43,820	(228)			(228)		44,048		(31)	(31)	363	XXX...	L.....

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of 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 Identification		Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in 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 Desig- nation or Market Indicator (a)
682680	10	3 ONEOK, Inc.....		01/20/2011	Wells Fargo Advisors, LLC.....	1,000.000	57,570	XXX.....	44,792	55,470	10,678			10,678		44,792		12,778	12,778		XXX...	L.....
35906A	10	8 Frontier Communications Corporation.....		02/01/2011	Return of Capital.....	480.000	127	XXX.....	127	127	127			127		127			0		XXX...	L.....
35906A	10	8 Frontier Communications Corporation.....		02/01/2011	Return of Capital.....	7,000.000	1,853	XXX.....	1,853	1,853	1,853			1,853		1,853			0		XXX...	L.....
337318	10	9 First Trust Enhanced Equity Income Fund.....		02/01/2011	Return of Capital.....	5,000.000	720	XXX.....	720	720	720			720		720			0		XXX...	L.....
42217K	10	6 Health Care REIT, Inc.....		02/01/2011	Return of Capital.....	4,000.000	6,963	XXX.....	6,963	6,963	6,963			6,963		6,963			0		XXX...	L.....
42217K	10	6 Health Care REIT, Inc.....		02/01/2011	Return of Capital.....	2,000.000	3,482	XXX.....	3,482	3,482	3,482			3,482		3,482			0		XXX...	L.....
635309	10	7 National CineMedia, Inc.....		02/01/2011	Return of Capital.....	3,000.000	435	XXX.....	435	435	435			435		435			0		XXX...	L.....
681936	10	0 Omega Healthcare Invetors, Inc.....		02/01/2011	Return of Capital.....	3,000.000	480	XXX.....	480	480	480			480		480			0		XXX...	L.....
876664	10	3 Taubman Centers Inc REIT.....		02/01/2011	Return of Capital.....	2,000.000	52	XXX.....	52	52	52			52		52			0		XXX...	L.....
91359E	10	5 Universal Health Rlty REIT.....		02/01/2011	Return of Capital.....	2,000.000	1,605	XXX.....	1,605	1,605	1,605			1,605		1,605			0		XXX...	L.....
00206R	10	2 AT & T Inc.....		02/17/2011	Wells Fargo Advisors, LLC.....	4,000.000	112,359	XXX.....	104,156	117,520	13,364			13,364		104,156		8,203	8,203	1,720	XXX...	L.....
038222	10	5 Applied Materials Inc.....		02/17/2011	Wells Fargo Advisors, LLC.....	5,000.000	81,263	XXX.....	64,090	70,250	6,160			6,160		64,090		17,173	17,173		XXX...	L.....
09253U	10	8 Blackstone Group LP.....		02/17/2011	Wells Fargo Advisors, LLC.....	4,000.000	69,682	XXX.....	58,525	56,600	(1,925)			(1,925)		58,525		11,157	11,157		XXX...	L.....
35906A	10	8 Frontier Communications Corporation.....		02/17/2011	Wells Fargo Advisors, LLC.....	480.000	4,466	XXX.....	3,353	4,543	1,190			1,190		3,353		1,113	1,113	(37)	XXX...	L.....
35906A	10	8 Frontier Communications Corporation.....		02/17/2011	Wells Fargo Advisors, LLC.....	7,000.000	65,123	XXX.....	50,442	66,257	15,815			15,815		50,442		14,681	14,681	(540)	XXX...	L.....
H5833N	10	3 Noble Corporation.....	F...	02/24/2011	Return of Capital.....	2,000.000	275	XXX.....	275	275	275			275		275			0		XXX...	L.....
05615F	10	2 Babcock & Wilcox Company.....		03/14/2011	Wells Fargo Advisors, LLC.....	3,000.000	92,836	XXX.....	69,689	76,770	7,081			7,081		69,689		23,146	23,146		XXX...	L.....
H5833N	10	3 Noble Corporation.....	F...	03/17/2011	Wells Fargo Advisors, LLC.....	2,000.000	86,198	XXX.....	70,180	71,265	1,085			1,085		70,180		16,018	16,018		XXX...	L.....
9099999.		Total - Common Stocks - Industrial & Miscellaneous.....					851,090	XXX.....	688,609	800,177	127,560	0	0	127,560	0	688,609	0	162,481	162,481	2,925	XXX...	XXX...
9799997		Total - Common Stocks - Part 4.....					851,090	XXX.....	688,609	800,177	127,560	0	0	127,560	0	688,609	0	162,481	162,481	2,925	XXX...	XXX...
9799999.		Total - Common Stocks.....					851,090	XXX.....	688,609	800,177	127,560	0	0	127,560	0	688,609	0	162,481	162,481	2,925	XXX...	XXX...
9899999.		Total - Preferred and Common Stocks.....					851,090	XXX.....	688,609	800,177	127,560	0	0	127,560	0	688,609	0	162,481	162,481	2,925	XXX...	XXX...
9999999.		Total - Bonds, Preferred and Common Stocks.....					1,189,120	XXX.....	1,025,558	1,135,757	129,948	(262)	0	129,686	0	1,026,316	0	162,804	162,804	5,890	XXX...	XXX...

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

QE05.1

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
	Description of Items Hedged or Used for Income Generation	Schedule /Exhibit Identifier	Type(s) of Risk	Exchange or Counterparty	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Indexed (Received) Paid	Prior Year Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium Received (Paid)	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Quarter-end (a)
Description																						

NONE

QE06

(a)	Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period

NONE

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Change in Variation Margin				19	20
														15	16	17	18		
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Hedged Item(s)	Schedule/ Exhibit Identifier	Type(s) of Risk	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure	Hedge Effectiveness at Inception and at Quarter-end (a)

NONE

(a)	Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period

QE07

NONE

Broker Name	Net Cash Deposits
Brokers	
Total Net Cash Deposits.....	0

NONE

SCHEDULE DB - PART D

Showing Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description Counterparty or Exchange Traded	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts With Book Adjusted Carrying Value > 0	Contracts With Book Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts Fair Value > 0	Contracts Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1	2	3	4	5	6
CUSIP Identification	Description	NAIC Designation /Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates

General Interrogatory:

1. The activity for the year to date: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
2. Average balance for the year to date: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
NAIC 1: \$.....0 NAIC 2: \$.....0 NAIC 3: \$.....0 NAIC 4: \$.....0 NAIC 5: \$.....0 NAIC 6: \$.....0

NONE

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1	2	3	4	5	6
CUSIP Identification	Description	NAIC Designation /Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates

General Interrogatory:

1. The activity for the year to date: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
2. Average balance for the year to date: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
3. Grand Total Schedule DL Part 1 and Part 2: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	

Open Depositories

JPMorgan Chase Bank, N.A. - Checking.....	Lima, Ohio.....				602,286	738,735	738,870	XXX..
JPMorgan Chase Bank, N.A. - Savings.....	Lima, Ohio.....	0.400	499		506,802	506,957	507,129	XXX..
Wells Fargo Bank, NA.....	Toledo, Ohio.....	0.080	56		317,716	112,287	29,525	XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	555	0	1,426,804	1,357,979	1,275,524	XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	555	0	1,426,804	1,357,979	1,275,524	XXX..
0499999. Cash in Company's Office.....	...XXX.....	...XXX.....	...XXX.....	...XXX.....	100	100	100	XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	555	0	1,426,904	1,358,079	1,275,624	XXX..

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year

NONE



DIRECTOR AND OFFICER SUPPLEMENT

Year To Date For the Period Ended March 31, 2011

NAIC Group Code.....0

Company Name: Affinity Mutual Insurance Company

NAIC Company Code.....16748

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premiums	2 Direct Earned Premiums	3 Direct Losses Incurred

2. Commercial Multiple Peril (CMP) Packaged Policies

- 2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [X] No []
- 2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy
be quantified or estimated? Yes [X] No []
- 2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount
for D&O liability coverage in CMP packaged policies:
2.31 Amount quantified: \$.....1,777
2.32 Amount estimated using reasonable assumptions:
- 2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case
reserves) for the D&O liability coverages provided in CMP packaged policies: