



QUARTERLY STATEMENT

AS OF MARCH 31 , 2011

OF THE CONDITION AND AFFAIRS OF THE

Medical Benefits Mutual Life Insurance Company

NAIC Group Code 0000, NAIC Company Code 74322 Employer's ID Number 31-4210910

(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated/Organized May 6, 1938 Commenced Business April 4, 1938

Statutory Home Office 1975 Tamarack Road, Newark, Ohio 43055

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

Main Administrative Office 1975 Tamarack Road, Newark, Ohio 43055 740-522-8425

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

Mail Address 1975 Tamarack Road, Newark, Ohio 43055

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

Primary Location of Books and Records 1975 Tamarack Road, Newark, Ohio 43055

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

740-522-8425

(Area Code) (Telephone Number)

Internet Website Address www.medben.com

Statutory Statement Contact Cristin Saguisi 740-522-7407

(Name) (Area Code) (Telephone Number) (Extension)

csaguisi@medben.com 740-522-7526

(E-Mail Address) (Fax Number)

OFFICERS

Douglas James Freeman (President)
Thomas Arthur Hoffman (Secretary)
Kurt Jeffrey Harden (Treasurer)

OTHER OFFICERS

Caroline Fischer Rouse Fraker (Vice President & Chief Privacy Officer)
Lori Kane (Vice President)
Rose McEntire (Vice President & Chief Security Officer)
Cara Delcher (Vice President)

DIRECTORS OR TRUSTEES

J. Scott Cantley
Charles Daniel Delawder
Nancy Shrider Dix
Douglas James Freeman
Kurt Jeffrey Harden
Thomas Arthur Hoffman
Richard Merrill Main
Clark Arthur Morrow

State of Ohio }
County of Licking } 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.

Douglas James Freeman
President

Thomas Arthur Hoffman
Secretary

Kurt Jeffrey Harden
Treasurer

Subscribed and sworn to before me this
13 day of May, 2011

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

ASSETS

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	December 31 Prior Year Net Admitted Assets
1. Bonds	4,946,406		4,946,406	5,226,027
2. Stocks:				
2.1 Preferred stocks	500		500	500
2.2 Common stocks	4,450,764	56,430	4,394,334	4,090,865
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	2,005,276		2,005,276	2,031,596
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 454,309), cash equivalents (\$) and short-term investments (\$ 8,716,548)	9,170,857		9,170,857	7,676,368
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 to Line 11)	20,573,803	56,430	20,517,373	19,025,356
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	29,082		29,082	34,959
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	21,651		21,651	33,281
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	216,741		216,741	340,542
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	921,045		921,045	1,052,317
18.1 Current federal and foreign income tax recoverable and interest thereon	396,000		396,000	396,000
18.2 Net deferred tax asset	524,000	165,000	359,000	359,000
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	103,501	72,349	31,152	41,392
21. Furniture and equipment, including health care delivery assets (\$)	327,597	217,152	110,445	133,056
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	474,715		474,715	930,599
24. Health care (\$) and other amounts receivable	52,643		52,643	70,176
25. Aggregate write-ins for other than invested assets	877,988	257,378	620,610	481,550
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	24,518,766	768,309	23,750,457	22,898,228
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	24,518,766	768,309	23,750,457	22,898,228
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1001 through Line 1103 plus Line 1198) (Line 11 above)				
2501. Cash Surrender Value of Officers Life Insurance	481,550		481,550	481,550
2502. Prepaid Expenses and Deposits	396,438	257,378	139,060	
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	877,988	257,378	620,610	481,550

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ less \$ included in Line 6.3 (including \$ Modco Reserve)		
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)		
3. Liability for deposit-type contracts (including \$ Modco Reserve)		
4. Contract claims:		
4.1 Life	113,570	77,685
4.2 Accident and health	3,507,825	3,120,433
5. Policyholders' dividends \$ and coupons \$ due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)		
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums	968,717	785,226
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on cancelled contracts		
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ ceded		
9.4 Interest Maintenance Reserve	(420)	(403)
10. Commissions to agents due or accrued-life and annuity contracts \$, accident and health \$ and deposit-type contract funds \$	13,791	81,339
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued	2,112,118	2,006,372
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	83,775	49,064
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)		
15.2 Net deferred tax liability	37,217	
16. Unearned investment income		
17. Amounts withheld or retained by company as agent or trustee	9,346	8,100
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated		
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	790,136	744,277
24.02 Reinsurance in unauthorized companies		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers		
24.04 Payable to parent, subsidiaries and affiliates	614	934
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans	2,113,124	2,050,940
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities		
24.10 Payable for securities lending		
24.11 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	146,114	146,114
26. Total liabilities excluding Separate Accounts business (Line 1 to Line 25)	9,895,927	9,070,081
27. From Separate Accounts statement		
28. Total liabilities (Line 26 and Line 27)	9,895,927	9,070,081
29. Common capital stock		
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus		
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	13,854,530	13,828,147
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Line 31 through Line 35 minus Line 36) (including \$ in Separate Accounts Statement)	13,854,530	13,828,147
38. Total of Line 29, Line 30 and Line 37	13,854,530	13,828,147
39. Total of Line 28 and Line 38 (Page 2, Line 28, Col. 3)	23,750,457	22,898,228
DETAILS OF WRITE-INS		
2501. Claims Adjustment Liability	60,000	60,000
2502. Liability for Negative Equity in Subsidiary		
2503. Liability for Amounts Held for Employee Claims Reserve	86,114	86,114
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	146,114	146,114
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Line 3101 through Line 3103 plus Line 3198) (Line 31 above)		
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)		

SUMMARY OF OPERATIONS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	5,124,305	5,621,703	20,684,748
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	23,898	55,251	130,977
4. Amortization of Interest Maintenance Reserve (IMR)	17	17	33
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded			
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management , administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	749,994	779,814	2,783,312
9. Totals (Line 1 to Line 8.3)	5,898,214	6,456,785	23,599,070
10. Death benefits	134,472	46,948	248,952
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits			
13. Disability benefits and benefits under accident and health contracts	4,466,338	4,983,523	18,276,428
14. Coupons , guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts			
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds			
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health contracts			
20. Totals (Line 10 to Line 19)	4,600,810	5,030,471	18,525,380
21. Commissions on premiums , annuity considerations , and deposit-type contract funds (direct business only)	403,676	683,603	1,813,780
22. Commissions and expense allowances on reinsurance assumed			
23. General insurance expenses	1,106,489	1,346,992	4,049,135
24. Insurance taxes , licenses and fees , excluding federal income taxes	147,605	132,794	553,583
25. Increase in loading on deferred and uncollected premiums			
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions		308	4,993
28. Totals (Line 20 to Line 27)	6,258,580	7,194,168	24,946,871
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(360,366)	(737,383)	(1,347,801)
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(360,366)	(737,383)	(1,347,801)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(139,060)	(272,358)	(661,212)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(221,306)	(465,025)	(686,589)
34. Net realized capital gains or (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)	(6,789)	4,870	67,308
35. Net Income (Line 33 plus Line 34)	(228,095)	(460,155)	(619,281)
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus , December 31 , prior year	13,828,147	13,997,023	13,997,023
37. Net income (Line 35)	(228,095)	(460,155)	(619,281)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$	293,907	380,754	722,285
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax			
41. Change in nonadmitted assets	6,430	(51,593)	(108,954)
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis , (increase) or decrease			
44. Change in asset valuation reserve	(45,859)	63,275	(162,926)
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in			
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance			
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus			
54. Net change in capital and surplus (Line 37 through Line 53)	26,383	(67,719)	(168,876)
55. Capital and surplus as of statement date (Line 36 plus Line 54)	13,854,530	13,929,304	13,828,147
DETAILS OF WRITE-INS			
08.301. Miscellaneous	720,950	750,145	2,676,920
08.302. Fee Income	29,044	29,669	106,392
08.303. Management Fee Income			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)	749,994	779,814	2,783,312
2701. Penalties		308	4,993
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)		308	4,993
5301.			
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. Totals (Line 5301 through Line 5303 plus Line 5398) (Line 53 above)			

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	5,319,426	5,739,840	20,545,381
2. Net investment income	32,727	10,934	196,883
3. Miscellaneous income	777,184	779,814	2,783,312
4. Total (Line 1 through Line 3)	6,129,337	6,530,588	23,525,576
5. Benefit and loss related payments	4,053,732	3,864,593	17,952,837
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	1,405,503	1,570,424	5,726,961
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(176,277)	(2,851)	(502,212)
10. Total (Line 5 through Line 9)	5,282,958	5,432,166	23,177,586
11. Net cash from operations (Line 4 minus Line 10)	846,379	1,098,422	347,990
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	650,000		3,480,028
12.2 Stocks	142,878		568,502
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	(16,544)		
12.7 Miscellaneous proceeds		26,013	94,732
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	776,334	26,013	4,143,262
13. Cost of investments acquired (long-term only):			
13.1 Bonds	375,000		2,803,312
13.2 Stocks	112,089		1,422,200
13.3 Mortgage loans			
13.4 Real estate		153,739	167,753
13.5 Other invested assets			
13.6 Miscellaneous applications			86,881
13.7 Total investments acquired (Line 13.1 through Line 13.6)	487,089	153,739	4,480,146
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	289,245	(127,726)	(336,884)
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)	358,865	152,330	(280,972)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	358,865	152,330	(280,972)
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)	1,494,489	1,123,026	(269,866)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	7,676,368	7,946,234	7,946,234
19.2 End of period (Line 18 plus Line 19.1)	9,170,857	9,069,260	7,676,368

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

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1	2	3
	Current Year to Date	Prior Year to Date	Prior Year Ended December 31
1. Industrial life			
2. Ordinary life insurance			
3. Ordinary individual annuities			
4. Credit life (group and individual)			
5. Group life insurance	122,036	128,169	503,076
6. Group annuities			
7. A & H - group	5,743,200	6,112,342	22,548,356
8. A & H - credit (group and individual)			
9. A & H - other			
10. Aggregate of all other lines of business			
11. Subtotal	5,865,236	6,240,512	23,051,432
12. Deposit-type contracts			
13. Total	5,865,236	6,240,512	23,051,432
DETAILS OF WRITE-INS			
1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page			
1099. Total (Line 1001 through Line 1003 plus Line 1098) (Line 10 above)			

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

No change.

NOTE 2 – ACCOUNTING CHANGES AND CORRECTION OF ERRORS

None

NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL

None

NOTE 4 – DISCONTINUED OPERATIONS

None

NOTE 5 – INVESTMENTS

No change.

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

None

NOTE 7 - INVESTMENT INCOME

Investment income is recognized on an earned basis. Amounts earned but not yet received are recorded as a receivable on the balance sheet. Investment income earned and uncollected that is more than 90 days old is classified as non-admitted. As of March 31, 2011, investment income earned and not yet collected totaled \$29,082; there were no amounts older than 90 days.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – DERIVATIVE INSTRUMENTS

None

NOTE 9 – INCOME TAXES

The Company files a consolidated federal income tax return with the following entities:

Medical Benefits Administrators, Inc.
VisionPlus of America, Inc.
MedBen Marketing Services, Inc.

Depreciation is provided using rates established by the Internal Revenue Code.

A written tax sharing consolidation agreement is approved by management. Allocation is based upon separate return calculations and the consolidated tax return calculation.

NOTE 9 – INCOME TAXES - CONTINUED

Deferred tax assets and liabilities consist of the following components as of March 31, 2011:

	<u>2011</u>	<u>2010</u>
Deferred tax assets		
Non-admitted assets		
Prepaid expenses	13,000	13,000
Other	5,000	5,000
Furniture, fixtures, and vehicles	39,000	39,000
Policy acquisition costs	8,000	8,000
Other assets	24,000	24,000
Capital loss carryovers	8,000	8,000
Unrealized Capital Losses	0	0
Claims payable	21,000	21,000
Other policyholders' funds	192,000	192,000
Deferred Compensation	500,000	500,000

NOTES TO FINANCIAL STATEMENTS

Other Liabilities	<u>(286,000)</u>	<u>(286,000)</u>
	<u>\$524,000</u>	<u>\$524,000</u>
Deferred tax assets		
Total benefit	524,000	524,000
Non-admitted	<u>165,000</u>	<u>165,000</u>
	<u>\$359,000</u>	<u>\$359,000</u>
Deferred tax liabilities		
Depreciation	0	0
Other	37,217	0
Marketable securities	<u>0</u>	<u>0</u>
	<u>\$37,217</u>	<u>\$0</u>

Components of total income tax expense for the quarter ended March 31, 2011 and the year ended December 31, 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Total income tax (benefit) expense – current and deferred	(139,060)	(661,213)

NOTE 9 – INCOME TAXES - CONTINUED

A reconciliation between the standard federal income tax rate and the effective tax rate for the years ended December 31, 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Standard federal income tax rate	34.0%	34.0%
Permanent differences		
Dividend received deduction and tax exempt interest	(3.0%)	(3.0%)
Other permanent differences	3.0%	3.0%
Prior year refunds	(0.0%)	(0.0%)
Other differences	(3.0%)	(3.0%)

NOTES TO FINANCIAL STATEMENTS

Effective tax rate	<u>31.0%</u>	<u>31.0%</u>
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The Company does not have any net operating loss or tax credit carryforwards available for tax purposes. Contribution carryforward amounts available for recovery in the event of the carryback of future net operating loss deductions amount to none for 2011 and none for 2010.

NOTE 10 - INVESTMENT IN AFFILIATES

The Company has invested in the common stock of three wholly owned non-insurance subsidiaries which shares the same management. The valuation of these affiliates was determined under GAAP, with adjustments for statutory valuation rules, as prescribed by Statutory Accounting Principles. The investment in affiliates totaled \$1,534,766 at March 31, 2011.

Medical Benefits Administrators, Inc. and VisionPlus of America, Inc. are third party administrators (TPA’s) that administer claims in the medical and vision fields. Medical Marketing Services, Inc. is an insurance agency that markets various life, medical and other insurance products. The Company also owns a preferred stock interest of \$500 in MedBen Marketing Services, Inc. as of March 31, 2011.

The following summarizes data from each affiliate for the period ending March 31, 2011 (all presented under GAAP):

	Medical Benefits <u>Administrators, Inc.</u>	Vision Plus of <u>America, Inc.</u>	Medben Marketing <u>Services, Inc.</u>
<u>March 31, 2011</u>			
Total assets	\$2,307,265	\$ 201,724	\$ 177,382
Total liabilities	896,901	159,609	85,350
Total equity	1,410,364	42,115	92,032
Net income (loss)	203,400	7,521	6,076

NOTE 11 – DEBT

NOTES TO FINANCIAL STATEMENTS

The Company has two lines-of-credit with a maximum amount of \$2,000,000 and each with an interest rate equal to prime (currently 3.25%). The first line-of-credit is collateralized by a first mortgage on real estate owned by the Company. The other line-of-credit is unsecured. Outstanding debt as of March 31, 2011 and December 31, 2010 totaled \$0 and \$0 respectively.

The Company, through one of its subsidiaries (VisionPlus of America, Inc.), also has a line of credit with a maximum amount of \$220,000 with an interest rate equal to prime (currently 3.25%). This line is unsecured, but is guaranteed by the parent. Outstanding debt as of March 31, 2011 and December 31, 2010 totaled \$0 and \$0, respectively.

NOTE 12 – DEFERRED COMPENSATION PLANS, POST-EMPLOYMENT BENEFITS AND PROFIT-SHARING PLANS

The Company currently has two deferred compensation plans. One plan is for specified key employees and another plan is for Board Directors.

The Equity Participation Plan for key employees is a discretionary plan that rewards key employees with long-term service to the Company. The plan shares the appreciation of equity of the Company with certain employees. The employee's share of the compensation vests over a ten year period, and is payable upon normal retirement, which is usually age 65. In the event that an employee terminates employment, either voluntarily or non-voluntarily, before age 65, the employee shall not be entitled to any payments at the time of termination, and forfeits his/her right to any future benefits under the plan.

The Company has estimated its present value of this liability to be \$980,981 and \$980,981 as of March 31, 2011 and December 31, 2010, respectively.

The Equity Participation Plan for the Board Directors is similar to the one for key employees, in terms of vesting, normal retirement age, termination of employment, etc. The Company has estimated its present value of this liability to be \$440,904 and \$440,904 as of March 31, 2011 and December 31, 2010, respectively.

The Company is no longer paying deferred compensation and post-retirement health coverage for a former Board member.

NOTES TO FINANCIAL STATEMENTS

The Company has a profit-sharing plan with a 401(k) feature. The plan covers all employees meeting minimum eligibility requirements. Profit-sharing contributions are determined by the Board of Directors and were 2% and 5% of eligible compensation for 2008 and 2007. The Company matches 50% of the first 6% salary deferral elected by each employee.

NOTE 13 – CAPITAL AND SURPLUS RESTRICTIONS AND QUASI-REORGANIZATIONS

None

NOTE 14 – CONTINGENCIES

Assessments

The Company has estimated that it will be assessed by various state assessment funds in the amount of \$50,000 and \$50,000 for the year ended March 31, 2011 and December 31, 2010, respectively, for their share of insurance company insolvencies in those particular states. These amounts have been recorded as a liability for their respective years.

Various Legal Matters

The Company is involved in various lawsuits and subject to certain contingencies in the normal course of business. Management believes that the outcome of these matters will not have a material impact on the Company's financial position.

NOTE 15 – LEASES

No Change.

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

NOTES TO FINANCIAL STATEMENTS

None

NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

None

NOTE 18 – GAIN OR LOSS FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

No change..

NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS OR THIRD PART ADMINISTRATORS

None

NOTE 20 – OTHER ITEMS

None

NOTE 21 – EVENTS SUBSEQUENT

None

NOTE 22 – REINSURANCE

No change.

NOTE 23 – RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO

NOTES TO FINANCIAL STATEMENTS

REDETERMINATION

None

NOTE 24 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

The reserve for claims incurred but not received, plus unpaid claims in inventory, before reinsurance, has increased to \$3,721,395 at March 31, 2011 from \$3,298,118 at December 31, 2010 as a result of continued reevaluation of unpaid losses principally on the Accident & Health line of business. This increase is generally the result of ongoing analysis of recent loss development trends and is reflected on the Statement of Operations on a net reinsured basis. Please see Note 23 for a description of the company's reinsurance plan.

NOTE 25 – INTERCOMPANY POOLING ARRANGEMENTS

None

NOTE 26 – STRUCTURED SETTLEMENTS

None

NOTE 27 – HEALTH CARE RECEIVABLES

No change.

NOTE 28 – PARTICIPATING POLICIES

None

NOTE 29 – PREMIUM DEFICIENCY RESERVES

NOTES TO FINANCIAL STATEMENTS

None

NOTE 30 – RESERVES FOR LIFE CONTRACTS AND DEPOSIT-TYPE CONTRACTS

The company records as part of its incurred but not received reserve a portion related to the life insurance line of business. At March 31, 2011, this amounted to \$113,570 compared to \$77,685 at December 31, 2010. The company does not have any products that would qualify as “deposit-type” contracts.

NOTE 31 – ANALYSIS OF ANNUITY RESERVES AND DEPOSIT LIABILITIES BY WITHDRAWAL CHARACTERISTICS

None

NOTE 32 – PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

No change.

NOTE 33 – SEPARATE ACCOUNTS

None

NOTE 34 – LOSS/CLAIM ADJUSTMENT EXPENSES

The balance in the liability for unpaid claim adjustment expenses at March 31, 2011 and at December 31, 2010 are \$60,000 and \$60,000, respectively.

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.

05/31/2009
- 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.

05/31/2009
- 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).

11/17/2009
- 6.4

By what department or departments?

.....
- 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:

\$ 474,715

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:

\$
13.

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

\$
- 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
Prior Year-End Book/
Adjusted Carrying Value | 2
Current Quarter Book/
Adjusted Carrying Value |
|---|--|---|
| 14.21 Bonds | \$ 500 | \$ 500 |
| 14.22 Preferred Stock | \$ 1,374,129 | \$ 1,591,195 |
| 14.23 Common Stock | \$ | \$ |
| 14.24 Short-Term Investments | \$ | \$ |
| 14.25 Mortgage Loans on Real Estate | \$ | \$ |
| 14.26 All Other | \$ | \$ |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26) | \$ 1,374,629 | \$ 1,591,695 |
| 14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above | \$ | \$ |
- 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 () No (X)

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
Park National Bank	50 North Third Street, Newark, Ohio 43055
Merrill Lynch	4661 Sawmill Road, Columbus, Ohio 43220
Morgan Stanley	5600 Paul Blazer Memorial Parkway, Suite 150, Dublin, Ohio 43017

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

PART 2 - LIFE AND HEALTH

1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:

1

Amount

1.1

Long-Term Mortgages in Good Standing

1.11

Farm Mortgages

\$

1.12

Residential Mortgages

\$

1.13

Commercial Mortgages

\$

1.14

Total Mortgages in Good Standing

\$

1.2

Long-Term Mortgages in Good Standing with Restructured Terms

1.21

Total Mortgages in Good Standing with Restructured Terms

\$

1.3

Long-Term Mortgage Loans upon which Interest is Overdue more than Three Months

1.31

Farm Mortgages

\$

1.32

Residential Mortgages

\$

1.33

Commercial Mortgages

\$

1.34

Total Mortgages with Interest Overdue more than Three Months

\$

1.4

Long-Term Mortgage Loans in Process of Foreclosure

1.41

Farm Mortgages

\$

1.42

Residential Mortgages

\$

1.43

Commercial Mortgages

\$

1.44

Total Mortgages in Process of Foreclosure

\$

1.5

Total Mortgage Loans (Line 1.14 plus Line 1.21 plus Line 1.34 plus Line 1.44) (Page 2, Column 3, Line 3.1 plus Line 3.2)

\$

1.6

Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter

1.61

Farm Mortgages

\$

1.62

Residential Mortgages

\$

1.63

Commercial Mortgages

\$

1.64

Total Mortgages Foreclosed and Transferred to Real Estate

\$

2.

Operating Percentages:

2.1

A&H loss percent

%

2.2

A&H cost containment percent

%

2.3

A&H expense percent excluding cost containment expenses

%

3.1

Do you act as a custodian for health savings accounts?

Yes () No (X)

3.2

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

\$

3.3

Do you act as an administrator for health savings accounts?

Yes () No (X)

3.4

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

\$

Page 10
Schedule S - Ceded Reinsurance
NONE

STATEMENT AS OF MARCH 31, 2011 OF THE Medical Benefits Mutual Life Insurance Company

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1		Direct Business Only					
			Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Column 2 Through Column 5	7 Deposit-Type Contracts
			2 Life Insurance Premiums	3 Annuity Considerations				
	Active Status							
1. Alabama	AL N							
2. Alaska	AK N							
3. Arizona	AZ N							
4. Arkansas	AR N							
5. California	CA N							
6. Colorado	CO N							
7. Connecticut	CT N							
8. Delaware	DE N							
9. District of Columbia	DC N							
10. Florida	FL N							
11. Georgia	GA N							
12. Hawaii	HI N							
13. Idaho	ID N							
14. Illinois	IL N							
15. Indiana	IN N		67,730		3,281,395		3,349,126	
16. Iowa	IA N							
17. Kansas	KS N							
18. Kentucky	KY N							
19. Louisiana	LA N							
20. Maine	ME N							
21. Maryland	MD N							
22. Massachusetts	MA N							
23. Michigan	MI N							
24. Minnesota	MN N							
25. Mississippi	MS N							
26. Missouri	MO N							
27. Montana	MT N							
28. Nebraska	NE N							
29. Nevada	NV N							
30. New Hampshire	NH N							
31. New Jersey	NJ N							
32. New Mexico	NM N							
33. New York	NY N							
34. North Carolina	NC N							
35. North Dakota	ND N							
36. Ohio	OH L		41,037		1,468,955		1,509,992	
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		13,268		992,850		1,006,118	
50. Wisconsin	WI N							
51. Wyoming	WY N							
52. American Samoa	AS N							
53. Guam	GU N							
54. Puerto Rico	PR N							
55. U.S. Virgin Islands	VI N							
56. Northern Mariana Islands	MP N							
57. Canada	CN N							
58. Aggregate Other Alien	OT X X X							
59. Subtotal	(a) 1		122,036		5,743,200		5,865,236	
90. Reporting entity contributions for employee benefit plans	X X X							
91. Dividends or refunds applied to purchase paid-up additions and annuities	X X X							
92. Dividends or refunds applied to shorten endowment or premium paying period	X X X							
93. Premium or annuity considerations waived under disability or other contract provisions	X X X							
94. Aggregate other amounts not allocable by State	X X X							
95. Totals (Direct Business)	X X X		122,036		5,743,200		5,865,236	
96. Plus Reinsurance Assumed	X X X							
97. Totals (All Business)	X X X		122,036		5,743,200		5,865,236	
98. Less Reinsurance Ceded	X X X		15,428		725,503		740,931	
99. Totals (All Business) less Reinsurance Ceded	X X X		106,608		5,017,697		5,124,305	
DETAILS OF WRITE-INS								
5801.	X X X							
5802.	X X X							
5803.	X X X							
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X							
5899. Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)	X X X							
9401.	X X X							
9402.	X X X							
9403.	X X X							
9498. Summary of remaining write-ins for Line 94 from overflow page	X X X							
9499. Total (Line 9401 through Line 9403 plus Line 9498) (Line 94 above)	X X X							

(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



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.

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

Response

NO

Explanation:

Barcode

Document Identifier 490:

74322201149000001

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

Response

NO

Explanation:

Barcode

Document Identifier 365:

74322201136500001

3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?

Response

NO

EXPLANATION:

BARCODE:

Document Identifier 445:

74322201144500001

4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?

Response

NO

EXPLANATION:

BARCODE:

Document Identifier 446:

74322201144600001

5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?

Response

NO

EXPLANATION:

BARCODE:

Document Identifier 447:

74322201144700001

6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?

Response

NO

EXPLANATION:

BARCODE:

Document Identifier 448:

74322201144800001

7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?

Response

NO

EXPLANATION:

BARCODE:

Document Identifier 449:

74322201144900001

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	2,031,596	1,968,168
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		17,753
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		150,000
4. Total gain (loss) on disposals		(9,593)
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	26,319	94,732
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)	2,005,277	2,031,596
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	2,005,277	2,031,596

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding:		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after a		
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 mort		
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 (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)		
12. Total Valuation Allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after a		
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 (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)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

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	9,379,640	8,833,538
2. Cost of bonds and stocks acquired	487,089	3,383,220
3. Accrual of discount	694	
4. Unrealized valuation increase (decrease)	336,770	1,134,143
5. Total gain (loss) on disposals	(6,789)	96,474
6. Deduct consideration for bonds and stocks disposed of	792,878	4,048,529
7. Deduct amortization of premium	6,854	19,205
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 (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)	9,397,670	9,379,640
11. Deduct total nonadmitted amounts	56,430	62,248
12. Statement value at end of current period (Line 10 minus Line 11)	9,341,240	9,317,392

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)	5,226,027	375,000	650,000	(4,621)	4,946,406			5,226,027
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	5,226,027	375,000	650,000	(4,621)	4,946,406			5,226,027
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4	500				500			500
12. Class 5								
13. Class 6								
14. Total Preferred Stock	500				500			500
15. Total Bonds and Preferred Stock	5,226,527	375,000	650,000	(4,621)	4,946,906			5,226,527

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

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	8,716,548	X X X	8,716,548	(3,595)

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	7,678,712	8,497,646
2. Cost of short-term investments acquired	345,165	1,132,532
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	(692,671)	1,951,465
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 (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)	8,716,548	7,678,712
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	8,716,548	7,678,712

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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									
263534-CF-4	Dupont EI Nemour 2.75% 4/1/16		03/30/2011	Park National Bank		25,000	25,000.00	10	1
313372-ZW-7	FHLB 1.00% 9/30/13		03/30/2011	Park National Bank		250,000	250,000.00		1
313372-XW-9	FHLB 1.15% 9/30/13		03/30/2011	Park National Bank		25,000	25,000.00		1
313372-Y9-9	FHLB 1.32% 12/30/13		03/30/2011	Park National Bank		25,000	25,000.00		1
313372-SJ-4	FHLB 1.70% 6/16/14		03/16/2011	Park National Bank		25,000	25,000.00		1
313372-VB-7	FHLB 2.00% 3/30/15		03/30/2011	Park National Bank		25,000	25,000.00		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					375,000	375,000.00	10	
8399997	Subtotal - Bonds - Part 3					375,000	375,000.00	10	
8399999	Subtotal - Bonds					375,000	375,000.00	10	
Common Stocks - Industrial and Miscellaneous (Unaffiliated)									
001055-10-2	AFLAC		02/16/2011	Merrill Lynch	100.000	5,683			L
37733W-10-5	Glaxosmithkline PLC		02/16/2011	Merrill Lynch	100.000	3,781			L
50075N-10-4	Kraft Foods Inc Va Cl A		02/16/2011	Merrill Lynch	100.000	3,050			L
744320-10-2	Prudential Financial Inc		02/16/2011	Merrill Lynch	100.000	6,492			L
904784-70-9	Unilever NV NY Reg SHS		02/16/2011	Merrill Lynch	100.000	2,954			L
9099999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					21,960			
Common Stocks - Mutual Funds									
269858-78-3	Eagle Mid Cap Growth Fund		02/14/2011	Merrill Lynch	879.765	30,000			L
314172-28-9	Federated Clover Small Value Fund		02/14/2011	Merrill Lynch	466.763	10,129			L
44980Q-63-3	ING Diversified		01/04/2011	Merrill Lynch	65.041				L
55273G-29-8	MFS International Diversification F		02/14/2011	Merrill Lynch	3,644.315	50,000			L
67064Y-63-6	Nuveen Tradewinds Value		01/03/2011	Merrill Lynch	7.036				L
9299999	Subtotal - Common Stocks - Mutual Funds					90,129			
9799997	Subtotal - Common Stocks - Part 3					112,089			
9799999	Subtotal - Common Stocks					112,089			
9899999	Subtotal - Preferred and Common Stocks					112,089			
9999999	TOTALS					487,089		10	

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

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. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3133XY-KC-8	FHLB 2.03% 02/28/14		03/01/2011	Park National Bank		275,000	275,000.00	275,000	275,000						275,000				2,807	02/28/2014	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					275,000	275,000.00	275,000	275,000						275,000				2,807		
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
002824-AP-5	Abbott Labs 3.75% 3/15/11		03/15/2011	Park National Bank		25,000	25,000.00	25,000	25,000						25,000				469	03/15/2011	1
3133XX-PM-3	FHLB 1.50% 10/05/12		01/21/2011	Park National Bank		25,000	25,000.00	25,000	23,460						23,460		1,540	1,540	209	10/05/2012	1
3133XY-UE-3	FHLB 3.09% 07/07/16		01/11/2011	Park National Bank		25,000	25,000.00	25,000	25,000						25,000				401	07/07/2016	1
36962G-F9-0	Gen Elec Capital Corp multi 2/18/11		02/18/2011	Morgan Stanley		300,000	300,000.00	290,492	299,464		536		536		300,000				860	02/18/2011	1
3899999	- Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					375,000	375,000.00	365,492	372,924		536		536		373,460		1,540	1,540	1,939		
8399997	- Subtotal - Bonds - Part 4					650,000	650,000.00	640,492	647,924		536		536		648,460		1,540	1,540	4,746		
8399999	- Subtotal - Bonds					650,000	650,000.00	640,492	647,924		536		536		648,460		1,540	1,540	4,746		
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
219350-10-5	Corning Inc		01/21/2011	Park National Bank	800.000	15,443		16,241	15,456	785			785		16,241		(798)	(798)			L
314172-67-7	FEDERATED KAUFMANN FUND		02/16/2011	Merrill Lynch	4,209.910	23,365		19,900	23,112	(3,213)			(3,213)		19,900		3,466	3,466			L
314172-67-7	FEDERATED KAUFMANN FUND		02/14/2011	Merrill Lynch	2,378.050	13,198		10,284	22,593	(4,704)			(4,704)		10,284		2,914	2,914			L
436440-10-1	Hologic Inc		02/16/2011	Merrill Lynch	100.000	1,998		2,347	1,882	465			465		2,347		(349)	(349)			L
44980Q-63-3	ING Diversified		02/14/2011	Merrill Lynch	5,190.250	50,605		55,000	49,619	5,381			5,381		55,000		(4,395)	(4,395)			L
882508-10-4	TEXAS INSTRUMENTS		01/21/2011	Park National Bank	425.000	14,467		21,411	13,813	7,599			7,599		21,411		(6,944)	(6,944)			L
9099999	- Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					119,076		125,182	126,475	6,313			6,313		125,183		(6,106)	(6,106)			
Common Stocks - Mutual Funds																					
44980Q-63-3	ING Diversified		02/14/2011	Merrill Lynch	65.040	634											634	634			L
41013V-10-0	JOHN HANCOCK TAX ADVANTG DIVIDND		02/16/2011	Merrill Lynch	1,500.000	23,168		26,025	22,365	3,660			3,660		26,025		(2,857)	(2,857)	273		L
9299999	- Subtotal - Common Stocks - Mutual Funds					23,803		26,025	22,365	3,660			3,660		26,025		(2,222)	(2,222)	273		
9799997	- Subtotal - Common Stocks - Part 4					142,878		151,207	148,840	9,973			9,973		151,208		(8,328)	(8,328)	273		
9799999	- Subtotal - Common Stocks					142,878		151,207	148,840	9,973			9,973		151,208		(8,328)	(8,328)	273		
9899999	- Subtotal - Preferred and Common Stocks					142,878		151,207	148,840	9,973			9,973		151,208		(8,328)	(8,328)	273		
9999999	- TOTALS					792,878		791,699	796,764	9,973	536		10,509		799,668		(6,789)	(6,789)	5,019		

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

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Schedule DB, Part A, Section 1

NONE

Financial or Economic Impact of the Hedge

NONE

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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

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Schedule DB, Part D

NONE

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Schedule DL, Part 1

NONE

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Schedule DL, Part 2

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
Name	Location and Supplemental Information					First Month	Second Month	Third Month	
Open Depositories									
Park National Bank	Newark, Ohio					1,014,745	519,325	454,059	
0199999 - TOTAL - Open Depositories						1,014,745	519,325	454,059	
0399999 - TOTAL Cash on Deposit						1,014,745	519,325	454,059	
0499999 - Cash in Company's Office						250	250	250	
0599999 - TOTALS						1,014,995	519,575	454,309	

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Schedule E, Part 2, Cash Equivalents
NONE