



QUARTERLY STATEMENT  
AS OF June 30, 2011  
OF THE CONDITION AND AFFAIRS OF THE  
Paramount Advantage

NAIC Group Code	1212 (Current Period)	1212 (Prior Period)	NAIC Company Code	12353	Employer's ID Number	20-3376102
Organized under the Laws of				State of Domicile or Port of Entry	Ohio	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]		Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]	
Incorporated/Organized	08/10/2005			Commenced Business	12/01/2005	
Statutory Home Office	1901 Indian Wood Circle (Street and Number)			Maumee, OH 43537 (City, or Town, State and Zip Code)		
Main Administrative Office				1901 Indian Wood Circle (Street and Number)		
	Maumee, OH 43537 (City or Town, State and Zip Code)			(419)887-2500 (Area Code) (Telephone Number)		
Mail Address	P.O. Box 928 (Street and Number or P.O. Box)			Toledo, OH 43697-0928 (City, or Town, State and Zip Code)		
Primary Location of Books and Records				1901 Indian Wood Circle (Street and Number)		
	Maumee, OH 43537 (City, or Town, State and Zip Code)			(419)887-2500 (Area Code) (Telephone Number)		
Internet Web Site Address	www.paramounthealthcare.com					
Statutory Statement Contact	Mary Kathereen Siefke, Mrs. (Name)			(419)887-2909 (Area Code)(Telephone Number)(Extension)		
	mary.siefke@promedica.org (E-Mail Address)			(419)887-2020 (Fax Number)		

OFFICERS

Name	Title
John Charles Randolph Mr.	President
Jeffrey Craig Kuhn Mr.	Secretary
Kathleen Sheline Hanley Mrs.	Treasurer
Harold Lee Dunn Mr.	Chairman

OTHERS

Jeffrey William Martin Mr.  
Mark Henry Moser Mr.

John David Meier M.D.

DIRECTORS OR TRUSTEES

Russel Leo Dempsey Mr.  
John Charles Randolph Mr.  
Steven R. Zirkel Mr.  
Timothy Ingraham Martindale Mr.  
Deborah Anne Dickenson Peters Ms.

James Frederick Weber Mr.  
Richard Dean Heltzel Mr.  
Harold Lee Dunn Mr.  
Calvin Joseph Lawshe Mr.  
Garry Walter Roberts Mr.

State of Ohio  
County of Lucas ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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) John Charles Randolph, Mr. (Printed Name) 1. President (Title)	(Signature) Jeffrey William Martin (Printed Name) 2. VP, Operations & Finance (Title)	(Signature) Jeffrey Craig Kuhn (Printed Name) 3. Secretary (Title)
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Subscribed and sworn to before me this  
day of , 2011

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

Yes[X] No[ ]

(Notary Public Signature)

**DIRECTORS OR TRUSTEES (continued)**

David Scott Hickman Mr. #	Dale Joseph Seymour Mr. #
Timothy Bublick Mr. #	Mark Leslie Ferris Mr. #
Bryan Lee Wesselman Mr. #	

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1.	Bonds .....	5,401,946		5,401,946	4,402,901
2.	Stocks:				
2.1	Preferred stocks .....				
2.2	Common stocks .....				
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 \$.....0 encumbrances) .....				
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3	Properties held for sale (less \$.....0 encumbrances) .....				
5.	Cash (\$.....50,166,697), cash equivalents (\$.....4,189,290) and short-term investments (\$.....6,941,998) .....	61,297,985		61,297,985	58,610,226
6.	Contract loans (including \$.....0 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 (Lines 1 to 11) .....	66,699,931		66,699,931	63,013,127
13.	Title plants less \$.....0 charged off (for Title insurers only) .....				
14.	Investment income due and accrued .....	12,222		12,222	25,585
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection .....	3,769,862		3,769,862	3,372,797
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
15.3	Accrued retrospective premiums .....				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers .....				
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 .....				
18.1	Current federal and foreign income tax recoverable and interest thereon .....				
18.2	Net deferred tax asset .....	178,834		178,834	144,255
19.	Guaranty funds receivable or on deposit .....				
20.	Electronic data processing equipment and software .....				
21.	Furniture and equipment, including health care delivery assets (\$.....0) .....				
22.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
23.	Receivables from parent, subsidiaries and affiliates .....	2,895,515		2,895,515	826,346
24.	Health care (\$.....22) and other amounts receivable .....	30	8	22	1,002
25.	Aggregate write-ins for other than invested assets .....	29,000	29,000		
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	73,585,394	29,008	73,556,386	67,383,112
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28.	Total (Lines 26 and 27) .....	73,585,394	29,008	73,556,386	67,383,112
DETAILS OF WRITE-INS					
1101.	.....				
1102.	.....				
1103.	.....				
1198.	Summary of remaining write-ins for Line 11 from overflow page .....				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501.	Prepays .....	29,000	29,000		
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page .....				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	29,000	29,000		

**LIABILITIES, CAPITAL AND SURPLUS**

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.695,984 reinsurance ceded)	24,505,256		24,505,256	20,925,440
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	472,000		472,000	525,435
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	2,539,922		2,539,922	3,382,989
10.1	Current federal and foreign income tax payable and interest thereon (including \$.0 on realized gains (losses))	565,191		565,191	445,537
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.0 current) and interest thereon \$.0 (including \$.0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	67,899		67,899	2,924
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties with (\$.0 authorized reinsurers and \$.0 unauthorized reinsurers)				
20.	Reinsurance in unauthorized companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including \$.0 current)				
24.	Total liabilities (Lines 1 to 23)	28,150,268		28,150,268	25,282,325
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X		
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	31,621,685	31,621,685
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	13,784,433	10,479,102
32.	Less treasury stock, at cost:				
32.1	.0 shares common (value included in Line 26 \$.0)	X X X	X X X		
32.2	.0 shares preferred (value included in Line 27 \$.0)	X X X	X X X		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	45,406,118	42,100,787
34.	Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	73,556,386	67,383,112
DETAILS OF WRITE-INS					
2301.					
2302.					
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.		X X X	X X X		
2502.		X X X	X X X		
2503.		X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.		X X X	X X X		
3002.		X X X	X X X		
3003.		X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months .....	X X X .....	552,976	515,046	1,050,218
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	114,000,569	107,566,909	213,540,190
3.	Change in unearned premium reserves and reserves for rate credits .....	X X X .....			
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....			
5.	Risk revenue .....	X X X .....			
6.	Aggregate write-ins for other health care related revenues .....	X X X .....			
7.	Aggregate write-ins for other non-health revenues .....	X X X .....			
8.	Total revenues (Lines 2 to 7) .....	X X X .....	114,000,569	107,566,909	213,540,190
<b>Hospital and Medical:</b>					
9.	Hospital/medical benefits .....		79,102,979	73,003,557	141,744,803
10.	Other professional services .....		399,372	417,162	895,167
11.	Outside referrals .....				
12.	Emergency room and out-of-area .....		12,952,786	10,484,975	23,478,644
13.	Prescription drugs .....		(34,997)	3,084,082	2,968,401
14.	Aggregate write-ins for other hospital and medical .....				
15.	Incentive pool, withhold adjustments and bonus amounts .....				
16.	Subtotal (Lines 9 to 15) .....		92,420,140	86,989,776	169,087,015
<b>Less:</b>					
17.	Net reinsurance recoveries .....		696,372	25,362	237,705
18.	Total hospital and medical (Lines 16 minus 17) .....		91,723,768	86,964,414	168,849,310
19.	Non-health claims (net) .....				
20.	Claims adjustment expenses, including \$.....211,214 cost containment expenses .....		300,286	408,694	1,104,389
21.	General administrative expenses .....		16,876,101	15,304,009	29,452,454
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....				
23.	Total underwriting deductions (Lines 18 through 22) .....		108,900,155	102,677,117	199,406,153
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	5,100,414	4,889,792	14,134,037
25.	Net investment income earned .....		30,939	202,605	68,197
26.	Net realized capital gains (losses) less capital gains tax of \$.....0 .....		698	(160,954)	2,008
27.	Net investment gains or (losses) (Lines 25 plus 26) .....		31,637	41,651	70,205
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....				
29.	Aggregate write-ins for other income or expenses .....				
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	5,132,051	4,931,443	14,204,242
31.	Federal and foreign income taxes incurred .....	X X X .....	1,830,639	1,726,005	4,071,039
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	3,301,412	3,205,438	10,133,203
<b>DETAILS OF WRITE-INS</b>					
0601.	.....	X X X .....			
0602.	.....	X X X .....			
0603.	.....	X X X .....			
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....			
0701.	.....	X X X .....			
0702.	.....	X X X .....			
0703.	.....	X X X .....			
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....			
1401.	.....				
1402.	.....				
1403.	.....				
1498.	Summary of remaining write-ins for Line 14 from overflow page .....				
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....				
2901.	.....				
2902.	.....				
2903.	.....				
2998.	Summary of remaining write-ins for Line 29 from overflow page .....				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year .....	42,100,787	31,886,078	31,886,078
34.	Net income or (loss) from Line 32 .....	3,301,412	3,205,438	10,133,203
35.	Change in valuation basis of aggregate policy and claim reserves .....			
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....	(16,492)	(8,487)	(1,218)
37.	Change in net unrealized foreign exchange capital gain or (loss) .....			
38.	Change in net deferred income tax .....	34,579		(1,432,059)
39.	Change in nonadmitted assets .....	(14,168)	1,500,034	1,514,783
40.	Change in unauthorized reinsurance .....			
41.	Change in treasury stock .....			
42.	Change in surplus notes .....			
43.	Cumulative effect of changes in accounting principles .....			
44.	Capital Changes:			
44.1	Paid in .....			
44.2	Transferred from surplus (Stock Dividend) .....			
44.3	Transferred to surplus .....			
45.	Surplus adjustments:			
45.1	Paid in .....			
45.2	Transferred to capital (Stock Dividend) .....			
45.3	Transferred from capital .....			
46.	Dividends to stockholders .....			
47.	Aggregate write-ins for gains or (losses) in surplus .....			
48.	Net change in capital and surplus (Lines 34 to 47) .....	3,305,331	4,696,985	10,214,709
49.	Capital and surplus end of reporting period (Line 33 plus 48) .....	45,406,118	36,583,063	42,100,787
DETAILS OF WRITE-INS				
4701.	.....	.....	.....	.....
4702.	.....	.....	.....	.....
4703.	.....	.....	.....	.....
4798.	Summary of remaining write-ins for Line 47 from overflow page .....	.....	.....	.....
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	.....	.....	.....

CASH FLOW

		1	2	3
		Current	Prior	Prior
		Year	Year	Year Ended
		To Date	To Date	December 31
Cash from Operations				
1.	Premiums collected net of reinsurance .....	113,603,504	87,972,039	194,578,059
2.	Net investment income .....	46,767	176,704	134,709
3.	Miscellaneous income .....			
4.	Total (Lines 1 to 3) .....	113,650,271	88,148,743	194,712,768
5.	Benefit and loss related payments .....	88,142,640	81,362,176	166,641,214
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	18,072,889	15,195,293	29,191,510
8.	Dividends paid to policyholders .....			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	1,726,779	1,264,259	4,920,840
10.	Total (Lines 5 through 9) .....	107,942,308	97,821,728	200,753,564
11.	Net cash from operations (Line 4 minus Line 10) .....	5,707,963	(9,672,985)	(6,040,796)
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds .....	754,088		
12.2	Stocks .....			
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 .....		1,899,464	
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	754,088	1,899,464	
13.	Cost of investments acquired (long-term only):			
13.1	Bonds .....	1,755,598		1,000,003
13.2	Stocks .....			
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) .....	1,755,598		1,000,003
14.	Net increase (or decrease) in contract loans and premium notes .....			
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14) .....	(1,001,510)	1,899,464	(1,000,003)
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) .....	(2,018,694)	1,881,355	1,386,542
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	(2,018,694)	1,881,355	1,386,542
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	2,687,759	(5,892,166)	(5,654,257)
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year .....	58,610,226	64,264,483	64,264,483
19.2	End of period (Line 18 plus Line 19.1) .....	61,297,985	58,372,317	58,610,226

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001				
20.0002				

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1  Total	Comprehensive (Hospital & Medical)		4  Medicare Supplement	5  Vision Only	6  Dental Only	7  Federal Employees Health Benefit Plan	8  Title XVIII Medicare	9  Title XIX Medicaid	10  Other
		2  Individual	3  Group							
Total Members at end of:										
1. Prior Year .....	90,799								90,799	
2. First Quarter .....	92,463								92,463	
3. Second Quarter .....	92,319								92,319	
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	552,976								552,976	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	13,269								13,269	
8. Non-Physician .....	26,433								26,433	
9. Total .....	39,702								39,702	
10. Hospital Patient Days Incurred .....	21,036								21,036	
11. Number of Inpatient Admissions .....	6,652								6,652	
12. Health Premiums Written (a) .....	114,760,916								114,760,916	
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	114,760,916								114,760,916	
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	88,839,012								88,839,012	
18. Amount Incurred for Provision of Health Care Services .....	92,420,140								92,420,140	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.0.



**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

Aging Analysis of Unpaid Claims						
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 days	Over 120 Days	Total
0199999 Individually Listed Claims Unpaid .....						
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....	3,514,665	1,004,628	229,714	64,230	111,674	4,924,911
0499999 Subtotals .....	3,514,665	1,004,628	229,714	64,230	111,674	4,924,911
0599999 Unreported claims and other claim reserves .....						20,276,329
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						25,201,240
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						

**UNDERWRITING AND INVESTMENT EXHIBIT**

**ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5	6
		1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical) .....						
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....						
6.	Title XVIII - Medicare .....						
7.	Title XIX - Medicaid .....	17,057,719	71,084,921	835,426	23,669,830	17,893,145	20,925,440
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	17,057,719	71,084,921	835,426	23,669,830	17,893,145	20,925,440
10.	Healthcare receivables (a) .....		30				1,342
11.	Other non-health .....						
12.	Medical incentive pools and bonus amounts .....						
13.	Totals (Lines 9 - 10 + 11 + 12) .....	17,057,719	71,084,891	835,426	23,669,830	17,893,145	20,924,098

(a) Excludes \$.00 loans or advances to providers not yet expensed.

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Paramount Advantage (Company) are presented on a basis of accounting practices prescribed by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed practices by the State of Ohio.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below:

	State of Domicile Ohio	Jun. 30 2011	Dec. 31 2010
<b>NET INCOME</b>			
Paramount Advantage state basis		3,301,412	10,133,203
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		3,301,412	10,133,203
<b>SURPLUS</b>			
Paramount Advantage state basis		45,406,118	42,100,787
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		45,406,118	42,100,787

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 estimates.

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts. Expenses incurred in connections with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds are stated at amortized cost.
3. The Company has no common stock investments.
4. The Company has no preferred stock investments.
5. The Company does not invest in mortgage loans.
6. The Company has no investments in loan-backed securities.
7. The Company has no investments in subsidiaries.

**Notes to Financial Statement**

- 8. The Company has no investments in joint ventures.
- 9. The Company does not invest in derivatives.
- 10. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.
- 11. Unpaid losses and loss adjustment expenses include an amount from individual case estimates and loss reports and an amount, based on limited 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 is continually reviewed and any adjustments are reflected in the period determined.
- 12. The Company’s capitalization policy is those qualifying expenses over \$1,000.
- 13. The Company estimates its pharmaceutical rebate receivables based on historical recoveries per script and the number of scripts written.

2. Accounting Changes and Corrections of Errors

**-NOT APPLICABLE**

3. Business Combinations and Goodwill

**-NOT APPLICABLE**

4. Discontinued Operations

**-NOT APPLICABLE**

5. Investments

No significant change.

6. Joint ventures, Partnerships and Limited Liability Companies

**-NOT APPLICABLE**

7. Investment Income

No significant change.

8. Derivative Instruments

**-NOT APPLICABLE**

9. Income Taxes

**-NOT APPLICABLE**

10. Information Concerning Parent, Subsidiaries and Affiliates

No significant changes.

11. Debt

**-NOT APPLICABLE**

12. Retirement Plans, Deferred Compensation, Postemployment Benefits

**Notes to Financial Statement**

**-NOT APPLICABLE**

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

No significant change.

14. Contingencies

**-NOT APPLICABLE**

15. Leases

**-NOT APPLICABLE**

16. Off-Balance Sheet Risk

**-NOT APPLICABLE**

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

**-NOT APPLICABLE**

18. Gain or loss to the Reporting Entity from Uninsured A&H Plans and the uninsured Portion of partially Insured Plans

**-NOT APPLICABLE**

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

**-NOT APPLICABLE**

20. Fair Value Measurement

**-NOT APPLICABLE**

21. Other Items

No significant change.

22. Subsequent Events

No significant change.

23. Reinsurance

No significant change.

24. Retrospectively Rated Contracts

**-NOT APPLICABLE**

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2010 were \$21,450,875. As of June 30, 2011 \$17,120,473 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$835,426 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicaid lines of insurance. Therefore, there has been a \$3,494,976 favorable prior-year development since December 31, 2010 to June 30, 2011. The decrease is generally a result of ongoing analysis of recent development

**Notes to Financial Statement**

trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

**-NOT APPLICABLE**

27. Structured Settlements

**-NOT APPLICABLE**

28. Health Care Receivables

No significant change.

29. Participating Policies

**-NOT APPLICABLE**

30. Premium Deficiency Reserves

No significant change.

31. Anticipated Salvage and Subrogation

**-NOT APPLICABLE**

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

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

Yes[ ] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state?

Yes[ ] No[ ] N/A[X]
- 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 the 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?  
If yes, attach an explanation.

Yes[ ] No[X] N/A[ ]
- 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).

03/14/2007
- 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[X] 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?

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
		Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]
		Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

- 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 any amounts receivable from parent included in the Page 2 amount:

\$..... 2,895,515

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

GENERAL INTERROGATORIES (Continued)

INVESTMENT

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

14.2 If yes, please complete the following:

Yes[ ] No[X]

		1	2
		Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21	Bonds .....		
14.22	Preferred Stock .....		
14.23	Common Stock .....		
14.24	Short-Term Investments .....		
14.25	Mortgages Loans on Real Estate .....		
14.26	All Other .....		
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....		
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

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

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[X]  
Yes[ ] No[ ] N/A[X]

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?

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

Yes[X] No[ ]

1	2
Name of Custodian(s)	Custodian Address
Bank of New York Mellon .....	Three Mellon Center, Suite 153-3925, Pittsburgh, PA .

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?

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

Yes[ ] No[X]

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

16.5 Identify all investment advisors, brokers/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?

17.2 If no, list exceptions:

Yes[X] No[ ]



GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent	81.000%
1.2 A&H cost containment percent	0.000%
1.3 A&H expense percent excluding cost containment expenses	15.000%
2.1 Do you act as a custodian for health savings accounts?	Yes[ ] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$..... 0
2.3 Do you act as an administrator for health savings accounts?	Yes[ ] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$..... 0

**SCHEDULE S - CEDED REINSURANCE**  
**Showing All New Reinsurance Treaties - Current Year to Date**

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
<b>Accident and Health - Non-affiliates</b>						
93440 .....	06-1041332 .....	..... 01/01/2011 .....	HM LIFE INS CO .....	PA .....	..... SSL/A/I .....	..... Yes[X] No[ ] .....

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**  
**Current Year to Date - Allocated by States and Territories**

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
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								
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			114,760,916				114,760,916	
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.	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 .....	X X X			114,760,916				114,760,916	
60.	Reporting entity contributions for Employee Benefit Plans .....	X X X								
61.	Total (Direct Business) .....	(a)..... 1			114,760,916				114,760,916	
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.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 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**

No significant changes noted.

## 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

No

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

Explanations:

Bar Codes:

## Medicare Part D Coverage Supplement



**OVERFLOW PAGE FOR WRITE-INS**

STATEMENT AS OF **June 30, 2011** OF THE **Paramount Advantage**

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.	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 .....		
9.	Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8 ) .....		
10.	Deduct total nonadmitted amounts .....		
11.	Statement value at end of current period (Line 9 minus Line 10) .....		

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 .....		
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 .....		
9.	Total foreign exchange change in book value/recorded investment .....		
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) .....		
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 31 of prior year .....		
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) .....		
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 .....	4,402,901	3,406,350
2.	Cost of bonds and stocks acquired .....	1,755,598	1,000,003
3.	Accrual of discount .....		
4.	Unrealized valuation increase (decrease) .....		
5.	Total gain (loss) on disposals .....		
6.	Deduct consideration for bonds and stocks disposed of .....	754,088	
7.	Deduct amortization of premium .....	2,465	3,452
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) .....	5,401,946	4,402,901
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....	5,401,946	4,402,901

**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
<b>BONDS</b>								
1. Class 1 (a) .....	47,412,557	47,738,193	78,628,250	10,733	47,412,557	16,533,233		46,498,292
2. Class 2 (a) .....								
3. Class 3 (a) .....								
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....								
7. Total Bonds .....	47,412,557	47,738,193	78,628,250	10,733	47,412,557	16,533,233		46,498,292
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	47,412,557	47,738,193	78,628,250	10,733	47,412,557	16,533,233		46,498,292

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....2,696,392; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0



**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 .....	6,941,998	X X X	6,947,411	2,108	5,873

**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 .....	26,982,414	33,936,587
2.	Cost of short-term investments acquired .....	29,836,933	53,386,434
3.	Accrual of discount .....	23,494	52,570
4.	Unrealized valuation increase (decrease) .....		
5.	Total gain (loss) on disposals .....		
6.	Deduct consideration received on disposals .....	49,894,296	60,168,340
7.	Deduct amortization of premium .....	6,547	224,837
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) .....	6,941,998	26,982,414
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....	6,941,998	26,982,414

**SI04     Schedule DB - Part A Verification     . . . . . NONE**

**SI04     Schedule DB - Part B Verification     . . . . . NONE**

**SI05     Schedule DB Part C Section 1     . . . . . NONE**

**SI06     Schedule DB Part C Section 2     . . . . . NONE**

**SI07     Schedule DB - Verification     . . . . . NONE**

**SCHEDULE E - Verification**  
**(Cash Equivalents)**

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....	15,112,978	8,260,443
2.	Cost of cash equivalents acquired .....	65,236,272	132,356,213
3.	Accrual of discount .....	16,370	26,837
4.	Unrealized valuation increase (decrease) .....		
5.	Total gain (loss) on disposals .....		
6.	Deduct consideration received on disposals .....	76,176,330	125,530,515
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) .....	4,189,290	15,112,978
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....	4,189,290	15,112,978

**E01      Schedule A Part 2 ..... NONE**

**E01      Schedule A Part 3 ..... NONE**

**E02      Schedule B Part 2 ..... NONE**

**E02      Schedule B Part 3 ..... NONE**

**E03      Schedule BA Part 2 ..... NONE**

**E03      Schedule BA Part 3 ..... 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)
<b>Bonds - U.S. Governments</b>									
313374EM8 .....	FEDERAL HOME LN BK CONS BD .....	.....	..... 06/16/2011 .....	JPMORGAN CHASE BANK/G.X.CLARKE, JERSEY .....	..... X X X .....	..... 1,000,000 .....	..... 1,000,000.00 .....	.....	1 .....
0599999 Subtotal - Bonds - U.S. Governments .....					..... X X X .....	..... 1,000,000 .....	..... 1,000,000.00 .....	.....	..... X X X .....
8399997 Subtotal - Bonds - Part 3 .....					..... X X X .....	..... 1,000,000 .....	..... 1,000,000.00 .....	.....	..... X X X .....
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly) .....					..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....
8399999 Subtotal - Bonds .....					..... X X X .....	..... 1,000,000 .....	..... 1,000,000.00 .....	.....	..... X X X .....
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) .....					..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly) .....					..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....
9899999 Subtotal - Preferred and Common Stocks .....					..... X X X .....	.....	..... X X X .....	.....	..... X X X .....
9999999 Total - Bonds, Preferred and Common Stocks .....					..... X X X .....	..... 1,000,000 .....	..... X X X .....	.....	..... X X X .....

(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 Stocks Sold, Redeemed, or Otherwise Disposed of**  
**During the Current Quarter**

1	2	3 F o r e i g n	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		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 Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>																					
912828MU1	U S TREASURY NOTE		06/24/2011	MORGAN STANLEY & CO INC,	... X X X ...	754,834	750,000.00	755,598			(1,205)		(1,205)		754,088		746	746	1,742	03/31/2012	1
0599999 Subtotal - Bonds - U.S. Governments					... X X X ...	754,834	750,000.00	755,598			(1,205)		(1,205)		754,088		746	746	1,742	X X X	X X X
8399997 Subtotal - Bonds - Part 4					... X X X ...	754,834	750,000.00	755,598			(1,205)		(1,205)		754,088		746	746	1,742	X X X	X X X
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					... X X X ...	X X X	X X X	X X X	... X X X ...	... X X X ...	X X X	X X X	X X X	X X X	... X X X ...	X X X	X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					... X X X ...	754,834	750,000.00	755,598			(1,205)		(1,205)		754,088		746	746	1,742	X X X	X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					... X X X ...	X X X	X X X	X X X	... X X X ...	... X X X ...	X X X	X X X	X X X	X X X	... X X X ...	X X X	X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					... X X X ...	X X X	X X X	X X X	... X X X ...	... X X X ...	X X X	X X X	X X X	X X X	... X X X ...	X X X	X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					... X X X ...	X X X	X X X	X X X	... X X X ...	... X X X ...	X X X	X X X	X X X	X X X	... X X X ...	X X X	X X X	X X X	X X X	X X X	X X X
9999999 Total - Bonds, Preferred and Common Stocks					... X X X ...	754,834	X X X	755,598			(1,205)		(1,205)		754,088		746	746	1,742	X X X	X X X

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

**E06      Schedule DB Part A Section 1 ..... NONE**

**E07      Schedule DB Part B Section 1 ..... NONE**

**E08      Schedule DB Part D ..... NONE**

**E09      Schedule DL - Part 1 - Securities Lending Collateral Assets ..... NONE**

**E10      Schedule DL - Part 2 - Securities Lending Collateral Assets ..... NONE**

**SCHEDULE E - PART 1 - CASH**

**Month End Depository Balances**

1			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
Huntington Bank .....							20,791,234	21,866,328	50,166,697	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository - open depositories .....			X X X	X X X						X X X
0199999 Totals - Open Depositories .....			X X X	X X X			20,791,234	21,866,328	50,166,697	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository - suspended depositories .....			X X X	X X X						X X X
0299999 Totals - Suspended Depositories .....			X X X	X X X						X X X
0399999 Total Cash On Deposit .....			X X X	X X X			20,791,234	21,866,328	50,166,697	X X X
0499999 Cash in Company's Office .....			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash .....			X X X	X X X			20,791,234	21,866,328	50,166,697	X X X



**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
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Issuer Obligations</b>							
ALPINE SECR CORP DISC .....		06/14/2011 .....	0.000 .....	07/11/2011 .....	499,980 .....		29
ALPINE SECR CORP DISC .....		06/21/2011 .....	0.000 .....	07/18/2011 .....	399,974 .....		13
COLGATE PALMOLIVE DISC .....		06/30/2011 .....	0.000 .....	07/19/2011 .....	259,992 .....		
DEUTSCHE BANK LLC DISC .....		06/03/2011 .....	0.000 .....	08/29/2011 .....	899,731 .....		123
HSBC AMERICAS INC DISC .....		06/10/2011 .....	0.000 .....	09/08/2011 .....	899,704 .....		87
IBM DISC .....		06/30/2011 .....	0.000 .....	07/25/2011 .....	259,991 .....		
METLIFE FDG INC DISC .....		05/09/2011 .....	0.000 .....	07/06/2011 .....	199,996 .....		32
PACCAR FINL CORP DISC .....		06/01/2011 .....	0.000 .....	08/01/2011 .....	499,930 .....		66
PACCAR FINL CORP DISC .....		06/21/2011 .....	0.000 .....	07/11/2011 .....	269,991 .....		7
3299999 Subtotals - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations .....					4,189,290 .....		356
3899999 Subtotals - Industrial & Miscellaneous (Unaffiliated) .....					4,189,290 .....		356
7799999 Subtotals - Issuer Obligations .....					4,189,290 .....		356
8399999 Subtotals - Bonds .....					4,189,290 .....		356
8499999 Sweep Accounts .....							
8599999 Other Cash Equivalents .....							
8699999 Total - Cash Equivalents .....					4,189,290 .....		356

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