

**QUARTERLY STATEMENT**

**OF THE**

**DEALERS ASSURANCE COMPANY**

of **UPPER ARLINGTON**

in the state of **OHIO**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FOR THE QUARTER ENDED**

**June 30, 2011**

**PROPERTY AND CASUALTY**

**2011**



16705201120100102

# QUARTERLY STATEMENT

**AS OF JUNE 30, 2011**  
OF THE CONDITION AND AFFAIRS OF THE

## **Dealers Assurance Company**

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	16705	Employer's ID Number	34-6513705
Organized under the Laws of Country of Domicile	Ohio US		State of Domicile or Port of Entry Ohio			
Incorporated/Organized:	August 2, 1935			Commenced Business: August 2, 1935		
Statutory Home Office:	3518 Riverside Drive (Street and Number)			Upper Arlington, OH 43221 (City or Town, State and Zip Code)		
Main Administrative Office:	3518 Riverside Drive (Street and Number)			Upper Arlington, OH 43221 (City or Town, State and Zip Code)		
				800-282-8913 (Area Code)	(Telephone Number)	
Mail Address:	3518 Riverside Drive (Street and Number or P.O. Box)			Upper Arlington, OH 43221 (City or Town, State and Zip Code)		
Primary Location of Books and Records:	3518 Riverside Drive (Street and Number)			Upper Arlington, OH 43221 (City or Town, State and Zip Code)		
Internet Website Address:	www.dealersassurance.com					
Statutory Statement Contact:	Kelly Hixon (Name) khixon@dealersassurance.com (E-Mail Address)			800-282-8913-206 (Area Code)	(Telephone Number) (Extension) 614-459-2665 (Fax Number)	

## OFFICERS

	Name	Title
1.	Kirk Alan Borchardt	CEO/President
2.	Sharon Mae Spohn	Secretary/Treasurer
3.	Sharon Mae Spohn	Treasurer/Secretary

## VICE-PRESIDENTS

State of Ohio

County of Franklin 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.

(Signature)  
Kirk Alan Borchardt  
(Printed Name)  
1.  
CEO/President  
(Title)

(Signature)  
Sharon Mae Spohn  
(Printed Name)  
2.  
Secretary/Treasurer  
(Title)

Is this an original filing?  Yes  No

o: 1. State the amendment number  
2. Date filed  
3. Number of pages attached

Subscribed and sworn to before me this  
12th day of May \_\_\_\_\_, 2011

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	54,816,198		54,816,198	53,729,938
2. Stocks:				
2.1 Preferred stocks		3,614,964	3,614,964	3,311,269
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 (\$ 1,416,484), cash equivalents (\$ 0), and short-term investments (\$ 2,232,506)	3,648,990		3,648,990	4,102,492
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)	62,080,152		62,080,152	61,143,699
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	474,928		474,928	517,980
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,441,299		1,441,299	1,187,951
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	3,579		3,579	2,886
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	858,820		858,820	842,612
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 adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,580,147	1,580,147		
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	818,071	7,360	810,711	349,542
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	67,256,996	1,587,507	65,669,489	64,044,670
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	67,256,996	1,587,507	65,669,489	64,044,670

DETAILS OF WRITE-IN LINES				
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. Accounts Receivable	810,711		810,711	349,542
2502. Prepaid Expenses	7,360	7,360		
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	818,071	7,360	810,711	349,542

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 11,929)	12,929	14,781
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	1,204	1,643
4. Commissions payable, contingent commissions and other similar charges	433,747	455,269
5. Other expenses (excluding taxes, licenses and fees)	424,825	373,800
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	(73,350)	668,261
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	224,154	193,647
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 103,198,861 and including warranty reserves of \$ 12,265,956)	13,363,643	12,682,616
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	552,620	413,478
13. Funds held by company under reinsurance treaties	4,755,654	4,602,119
14. Amounts withheld or retained by company for account of others	3,972,856	4,756,295
15. Remittances and items not allocated	22,450	22,450
16. Provision for reinsurance	287,000	274,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities	8,706	220
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	23,986,438	24,458,579
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	23,986,438	24,458,579
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,200,990	4,200,990
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes	3,000,000	3,000,000
34. Gross paid in and contributed surplus	9,232,810	9,232,810
35. Unassigned funds (surplus)	25,249,251	23,152,291
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	41,683,051	39,586,091
38. Totals (Page 2, Line 28, Col. 3)	65,669,489	64,044,670

DETAILS OF WRITE-IN LINES		
2501.		
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)		
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)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

**STATEMENT OF INCOME**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 47,203,457)	34,237,610	30,425,587	9,149,667
1.2 Assumed (written \$ (56))	304	1,109,227	
1.3 Ceded (written \$ 42,496,787)	30,212,327	27,543,336	
1.4 Net (written \$ 4,706,614)	4,025,587	3,991,478	9,149,667
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 22,341,812):			
2.1 Direct	22,336,703	19,384,856	538,802
2.2 Assumed	(29,545)	624,717	
2.3 Ceded	22,106,136	19,716,988	
2.4 Net	201,022	292,585	538,802
3. Loss adjustment expenses incurred	154,780	158,595	389,776
4. Other underwriting expenses incurred	1,504,926	1,256,030	3,245,662
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	1,860,728	1,707,210	4,174,240
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	2,164,859	2,284,268	4,975,427
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	625,956	736,318	1,320,931
10. Net realized capital gains (losses) less capital gains tax of \$ 0	127,341	4,312	33,486
11. Net investment gain (loss) (Lines 9 + 10)	753,297	740,630	1,354,417
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums	17,949	8,107	16,658
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	17,949	8,107	16,658
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,936,105	3,033,005	6,346,502
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	2,936,105	3,033,005	6,346,502
19. Federal and foreign income taxes incurred	1,040,508	1,053,376	2,108,672
20. Net income (Line 18 minus Line 19) (to Line 22)	1,895,597	1,979,629	4,237,830
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	39,586,091	36,597,168	36,597,168
22. Net income (from Line 20)	1,895,597	1,979,629	4,237,830
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	179,833	(273,101)	331,276
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	16,208	99,135	475,376
27. Change in nonadmitted assets	18,322	(539,597)	218,441
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			(2,000,000)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	2,096,960	1,266,066	2,988,923
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	41,683,051	37,863,234	39,586,091

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Misc. Income	10,702	7,503	1,536
1402. Roadside Commission	7,057	494	15,012
1403. Transfer Fee Income	190	110	110
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	17,949	8,107	16,658
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	4,591,715	3,547,683	8,447,413
2. Net investment income	642,859	791,948	1,560,104
3. Miscellaneous income	17,949	8,107	16,658
4. Total (Lines 1 to 3)	5,252,523	4,347,738	10,024,175
5. Benefit and loss related payments	202,874	291,850	542,199
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	2,243,454	1,635,810	3,312,269
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	1,010,000	1,053,376	1,915,025
10. Total (Lines 5 through 9)	3,456,328	2,981,036	5,769,493
11. Net cash from operations (Line 4 minus Line 10)	1,796,195	1,366,702	4,254,682
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	7,326,218	5,735,305	11,192,737
12.2 Stocks	675,651	912,872	1,333,064
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	8,488	273,776	897
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	8,010,357	6,921,953	12,526,698
13. Cost of investments acquired (long-term only):			
13.1 Bonds	8,525,626	5,216,989	16,193,197
13.2 Stocks	660,915	907,555	1,363,669
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	180,595		331,276
13.7 Total investments acquired (Lines 13.1 to 13.6)	9,367,136	6,124,544	17,888,142
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,356,779)	797,409	(5,361,444)
<b>Cash from Financing and Miscellaneous Sources</b>			
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			2,000,000
16.6 Other cash provided (applied)	(892,918)	(1,680,184)	191,087
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(892,918)	(1,680,184)	(1,808,913)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(453,502)	483,927	(2,915,675)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	4,102,492	7,018,167	7,018,167
19.2 End of period (Line 18 plus Line 19.1)	3,648,990	7,502,094	4,102,492

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

20.0001			
20.0002			
20.0003			

# NOTES TO FINANCIAL STATEMENTS

## 1. Summary of Significant Accounting Policies

### a. Accounting Practices

The accompanying financial statements of Dealers Assurance Company have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the State of Ohio. The company adopted codification as of 01/01/01.

1b. – 5a. No changes to note

### 5d. Loan-Backed Securities

1. Bloomberg is used as a source for the prepayment factors.
2. – 4. Not applicable, no permanently impaired bonds.
5. No impairments exist other than interest rate related declines classified as temporary.

5e.-8. No changes to note

## 9. Income Taxes

A. The components of the net deferred tax assets/(liability) at June 30, 2011 are as follows:

1	6/30/2011			12/31/2010			Change		
	Ordinary	Capital	2010 Total	Ordinary	Capital	2010 Total	Ordinary	Capital	Total
(a) Gross deferred assets	934,829	514,664	1,449,493	888,519	514,664	1,403,183	46,310	0	46,310
(b) Statutory valuation allowance adjustment									
(c) Adjusted Gross Deferred Tax Assets	934,829	514,664	1,449,493	888,519	514,664	1,403,183	46,310	0	46,310
(d) Deferred tax liabilities	(160,095)	0	(160,095)	(98,694)	0	(98,694)	(61,401)		(61,401)
(e) Subtotal (Net Deferred Tax Assets)	774,734	514,664	1,289,398	789,825	514,664	1,304,489	(15,091)	0	(15,091)
(f) Deferred Tax Assets Nonadmitted	430,578	0	430,578	461,877	0	461,877	(31,299)	0	(31,299)
(g) Net Admitted Deferred Tax Asset	344,156	514,664	858,820	327,948	514,664	842,612	16,208	0	16,208

4	6/30/2011			12/31/2010			Change		
	Ordinary	Capital	2011 Total	Ordinary	Capital	2010 Total	Ordinary	Capital	Total
Admission Calculation Components									
SSAP No. 10R, Paragraphs 10a., 10b. and 10c.									
(a) SSAP No. 10R, Paragraph 10.a.	0	0	0	0	0	0	0	0	0
(b) SSAP No. 10R, Paragraph 10.b.	344,156	0	344,156	327,948	0	327,948	16,208	0	16,208
(the lesser of paragraph 10 b.i. and 10 b.ii. below)									
(c) SSAP No. 10R, Paragraph 10.b.i.	160,095		160,095	98,694		98,694	61,401		61,401
(d) SSAP No. 10R, Paragraph 10.b.ii.									
(e) SSAP No. 10R, Paragraph 10.c.									
(f) Total (4a+4b+4e)	344,156		344,156	327,948		327,948	16,208		16,208
Admission Calculation Components									
SSAP No 10R, Paragraph 10e.									
(g) SSAP No. 10R, Paragraph 10.e.i.		514,664	514,664				514,664	514,664	0
(h) SSAP No. 10R, Paragraph 10.e.ii.									0
(the lesser of paragraph 10e.i.i.a. and 10e.ii.b. below)									
(i) SSAP No. 10R, Paragraph 10 e.ii.a.									
(j) SSAP No. 10R, Paragraph 10 e.ii.b.									
(k) SSAP No. 10R, Paragraph 10 e.iii.									
(l) Total (4g+4h+4k)		514,664	514,664		514,664	514,664	0	0	0
Used in SSAP No. 10R, Paragraph 10d.			41,683,051			39,586,091			2,096,960
(m) Total Adjusted Capital			4,743,186			4,743,186			0
(n) Authorized Control Level									

5	6/30/2011			12/31/2010			Change		
	Ordinary	Capital	2011 Total	Ordinary	Capital	2010 Total	Ordinary	Capital	Total
SSAP No. 10R, Paragraphs 10a., 10b. and 10c.:									
(a) Admitted deferred tax asset	504,251	0	504,251	426,642	0	426,642	77,609	0	77,609
(b) Admitted Assets			65,669,489			64,044,670			1,624,819
(c) Adjusted Statutory Surplus*			41,683,051			39,586,091			2,096,960
(d) Total Adjusted Capital from DTAs			344,156			327,948			16,208
Increases due to SSAP No. 10R, Paragraph 10e.									
(e) Admitted Deferred Tax Assets		514,664	514,664		514,664	514,664	0	0	0
(f) Admitted Assets			65,669,489			64,044,670			1,624,819
(g) Statutory Surplus			41,683,051			39,586,091			2,096,960

6	6/30/2011		
	Ordinary	Capital	Total
	Percent	Percent	Percent
Impact of Tax Planning Strategies			
(a) Adjusted Gross DTAs	0%	35.51%	35.51%
(% of Total Adjusted Gross DTAs)			
(b) Net Admitted Adjusted Gross DTAs	0%	59.93%	59.93%
(% of Total Net Admitted Adjusted Gross DTAs)			

B. Deferred tax liabilities are not recognized for the following amounts:  
The Company did not have any deferred tax liabilities that were not recognized

C. Current income taxes incurred consist of the following major components:

	2011	2010
Federal	\$1,040,508	\$2,108,672
Foreign	\$0	\$0

Current income taxes incurred \$1,040,508 \$2,108,672

The main components of the 2011 deferred tax amounts are as follows:

DTA'S	6/30/2011	1/1/2011
Change in unearned premium reserves	908,728	862,418
Reserve Discount	838	838
Acc'd Vacation	25,264	25,264
Capital Loss Carry Forward	514,664	514,664

## NOTES TO FINANCIAL STATEMENTS

DTL's	Unrealized Capital Losses	-	-
	Total DTA's	1,449,493	1,403,184
	DTA's nonadmitted	430,578	461,877
	Admitted Deferred Tax Assets	1,018,915	941,307
	Unrealized Capital Gains	140,443	79,042
	Disc't Bonds	19,652	19,652
	Total DTL's	160,095	98,694
	Net Admitted Deferred Tax Asset	858,820	842,612
	The changes in main components of DTA's and DTL's are as follows:		
	2011	2010	Change
	DTA's resulting from book/tax differences in		
	Reserves	908,728	862,418
	Reserve Disc't	838	838
	Acc'd Vacation	25,264	25,264
	Capital Loss Carry-Forward	514,664	514,664
	Unrealized Cap Losses	-	-
	Total DTA's	1,449,493	1,403,183
	DTA's nonadmitted	430,578	461,877
	DTL's resulting from book/tax differences in		
	Unrealized Capital Gains	140,443	79,042
	Disc't on Bonds	19,652	19,652
	Total DTL's	160,095	98,694
	61,401	61,401	

D. Among the more significant book to tax adjustments were the following:

	Amount	Tax Effect
Income before taxes	2,936,105	998,276
Book over tax reserves	136,205	46,310
Dividends Received Deduction	(22,565)	(7,672)
Acc'd Vacation	3,717	1,264
Other	6,856	2,331
Capital Loss Carry-Forward	-	-
Total adjustments	124,213	42,232
Total Income	3,060,318	1,040,508

E. 1. At December 31, 2010, the Company had \$0 of operating loss carry forwards.  
 2. The following are income taxes incurred in the current and prior year that will be available for recoupment in the event of future net losses.  
 2010 \$2,108,672  
 2009 \$2,470,288  
 3. the company had no protective tax deposits as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2010 and 2009.  
 F. Dealers Assurance Company's federal income tax return is consolidated with Dealers Alliance Corporation and DAC Insurance Agency, Inc. A written agreement exists setting forth the manner in which the federal income tax is to be allocated to each entity. The federal income tax allocated to this company is based on its portion of the net consolidated income.

**10. Information Concerning Parent, Subsidiaries and Affiliates and Other Related Parties**

A.- F. No changes to Note

G. The parent company, Dealers Alliance Corporation, is a non-insurance entity. The Company had no transactions other than cost allocation with its parent company. Through 09/30/10 (and prior years) Dealers Assurance Company provided funds for federal income tax deposits (on a consolidated basis). In prior years other companies included in consolidated tax return reimbursed their portion of federal income tax deposits on a quarterly basis. However, at March 31, 2011, there was approximately \$1.6M receivable that had not been reimbursed by Dealers Alliance Corporation. Dealers Assurance Company has reflected that receivable on Asset line 23 – Receivables from parent, subsidiaries and affiliates. The Company has listed this receivable as a non admitted asset.

H-L Dealers Assurance Company holds no investments in its parent company or affiliates.

**11. – 16.**

No changes to note.

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

The Company does not have any sales or transfers to report.

**18. – 24.**

No changes to note.

**25. Change in Incurred Losses and Loss Adjustment Expenses**

Reserves as of December 31, 2010 were \$16,424. As of June 30, 2011 \$10,766 was paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves for prior year are now \$1,000. There was no re-estimation of unpaid claims and claim adjustment expenses. There has been a \$5,000 prior year development. Business written by DAC is related to service contracts issued on an assortment of consumer goods, but primarily, automobile service contracts. Historically, losses on this coverage are settled within 90 days of incurred date (98.7%); and the balance is settled within 180 days of incurred date.

**26. – 29.**

No changes to note.

**30. Premium Deficiency Reserves**

On February 25, 2011 the company's outside actuaries reviewed the reserves at 12/31/10. Using anticipated investment income it was determined that the company had an adequate reserve liability set up and did not need to carry an additional liability for premium deficiencies.

**31.-35**

**36. Financial Guaranty Insurance**

The company does not write financial guaranty insurance.

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009

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). 02/15/2011

6.4 By what department or departments?  
Ohio \_\_\_\_\_  
.....  
.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information  
.....  
.....  
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

## GENERAL INTERROGATORIES

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
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

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:

\$ \_\_\_\_\_ 220,616

## 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:

\$ \_\_\_\_\_

## GENERAL INTERROGATORIES

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 [ ] No [X]

14.2 If yes, please complete the following: 1 2

	Prior Year-End	Current Quarter
	Book/Adjusted	Book/Adjusted
	Carrying Value	Carrying Value
14.21 Bonds .....	\$ _____	\$ _____
14.22 Preferred Stock .....	\$ _____	\$ _____
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 Lines 14.21 to 14.26) .....	\$ _____	\$ _____
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 .....	\$ _____	\$ _____
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? Yes [ ] No [ ]

If no, attach a description with this statement.

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
Key Bank .....	Columbus, OH .....
US Bank .....	Winton Salem, NC .....
Sun Trust .....	Richmond, VA .....
Capital One .....	New Orleans, LA .....
Arkansas Banker's Bank .....	Little Rock, AR .....
Citibank, NA .....	NY, NY .....
Bank of Albuquerque .....	Sante Fe, NM .....
Merrill Lynch .....	Charlotte, NC .....
RBS Citizens, NA .....	Providence, RI .....

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
.....	.....	.....	.....
.....	.....	.....	.....

## GENERAL INTERROGATORIES

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

1 Central Registration Depository	2 Name(s)	3 Address
2124910	KeyBank	Columbus, OH
5198	Merrill Lynch	Charlotte, NC

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 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?  Yes  No  N/A  X  
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?  Yes  No  X  
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled?  Yes  No  X

3.2 If yes, give full and complete information thereto:

.....  
.....  
.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero?  Yes  No  X

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
TOTAL										

5. Operating Percentages:

5.1. A&H loss percent  %

5.2. A&H cost containment percent  %

5.3. A&H expense percent excluding cost containment expenses  %

6.1 Do you act as a custodian for health savings accounts?  Yes  No  X

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

6.3 Do you act as an administrator for health savings accounts?  Yes  No  X

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

## **SCHEDULE F - CEDED REINSURANCE**

## Showing All New Reinsurers - Current Year to Date

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	L	1,638,494	1,421,339	841,582	718,509	61,098
2. Alaska	AK	L					60,139
3. Arizona	AZ	L	247,147	108,900	59,419	35,230	2,930
4. Arkansas	AR	L	1,115,207	796,423	362,860	336,269	30,382
5. California	CA	L	7,372,975	8,547,632	2,281,003	1,969,659	278,804
6. Colorado	CO	L	2,502,350	4,144,203	793,339	787,994	85,506
7. Connecticut	CT	L	699,039	339,893	336,999	143,916	15,161
8. Delaware	DE	L	277,006	167,938	78,769	54,840	5,386
9. District of Columbia	DC	L					1,615
10. Florida	FL	L	1,981,895	1,794,056	1,263,261	935,461	81,540
11. Georgia	GA	L	193,418	216,309	99,261	105,776	8,187
12. Hawaii	HI	N					8,095
13. Idaho	ID	L	1,665	3,897	591	1,114	54
14. Illinois	IL	L	102,166	392,702	37,299	141,524	12,475
15. Indiana	IN	L	127,081	52,913	40,209	24,358	2,062
16. Iowa	IA	L	119,558	129,921	47,444	51,964	4,556
17. Kansas	KS	L	117,479	104,489	52,662	52,678	3,931
18. Kentucky	KY	L	124,618	136,719	64,816	60,190	4,552
19. Louisiana	LA	L	1,143,969	1,012,440	576,639	427,079	39,984
20. Maine	ME	L	228,016	187,998	115,955	90,552	7,734
21. Maryland	MD	L	631,264	567,154	291,618	247,301	22,601
22. Massachusetts	MA	L	370,057	70,434	88,960	52,900	5,221
23. Michigan	MI	L	2,922,393	1,959,840	2,582,018	1,719,279	173,814
24. Minnesota	MN	L	317,659	255,752	192,642	193,422	16,855
25. Mississippi	MS	L	1,467,326	1,002,079	551,933	330,494	36,050
26. Missouri	MO	L	1,299,078	771,922	601,087	345,692	33,749
27. Montana	MT	L	141,346	62,195	36,148	26,157	2,605
28. Nebraska	NE	L	147,356	463,825	418,561	865,728	35,437
29. Nevada	NV	L	236,042	155,725	116,923	62,442	6,920
30. New Hampshire	NH	L	69,163	70,045	41,380	31,997	2,794
31. New Jersey	NJ	L	424,084	326,792	196,563	145,523	13,631
32. New Mexico	NM	L	1,723,140	(558,405)	110,073	99,865	7,594
33. New York	NY	L	2,332,814	2,836,347	2,634,568	1,598,354	220,127
34. North Carolina	NC	L	760,181	980,712	331,800	597,957	67,178
35. North Dakota	ND	L	28,955	6,955	9,673		175
36. Ohio	OH	L	1,392,594	1,061,778	475,922	378,769	22,395
37. Oklahoma	OK	L	238,509	213,182	99,778	95,513	8,255
38. Oregon	OR	L	43,211	35,864	24,523	16,717	1,124
39. Pennsylvania	PA	L	1,417,451	1,055,190	387,493	233,736	23,688
40. Rhode Island	RI	L	6,080				13,438
41. South Carolina	SC	L	19,454	18,765	9,409	17,880	2,240
42. South Dakota	SD	L	21,500	8,745	10,788	2,734	456
43. Tennessee	TN	L	1,259,617	874,555	581,627	416,861	37,835
44. Texas	TX	L	5,062,252	4,768,270	2,996,011	3,843,807	255,808
45. Utah	UT	L	21,033		415		290,970
46. Vermont	VT	L	118,326	117,880	67,434	52,143	5,855
47. Virginia	VA	L	760,933	744,949	315,474	299,585	1,238
48. Washington	WA	L	5,488,670	4,666,595	1,951,365	1,552,821	26,738
49. West Virginia	WV	L	213,125	164,805	85,873	61,535	18,010
50. Wisconsin	WI	L	199,947	96,000	72,225	109,564	6,032
51. Wyoming	WY	L	77,808	32,791	18,187	11,768	2,022
52. American Samoa	AS	N					1,573
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	XXX					
59. Totals	(a)	50	47,203,451	42,388,513	22,352,579	19,347,657	1,874,303
							1,778,697

DETAILS OF WRITE-INS							
5801.		XXX					
5802.		XXX					
5803.		XXX					
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX					
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX					

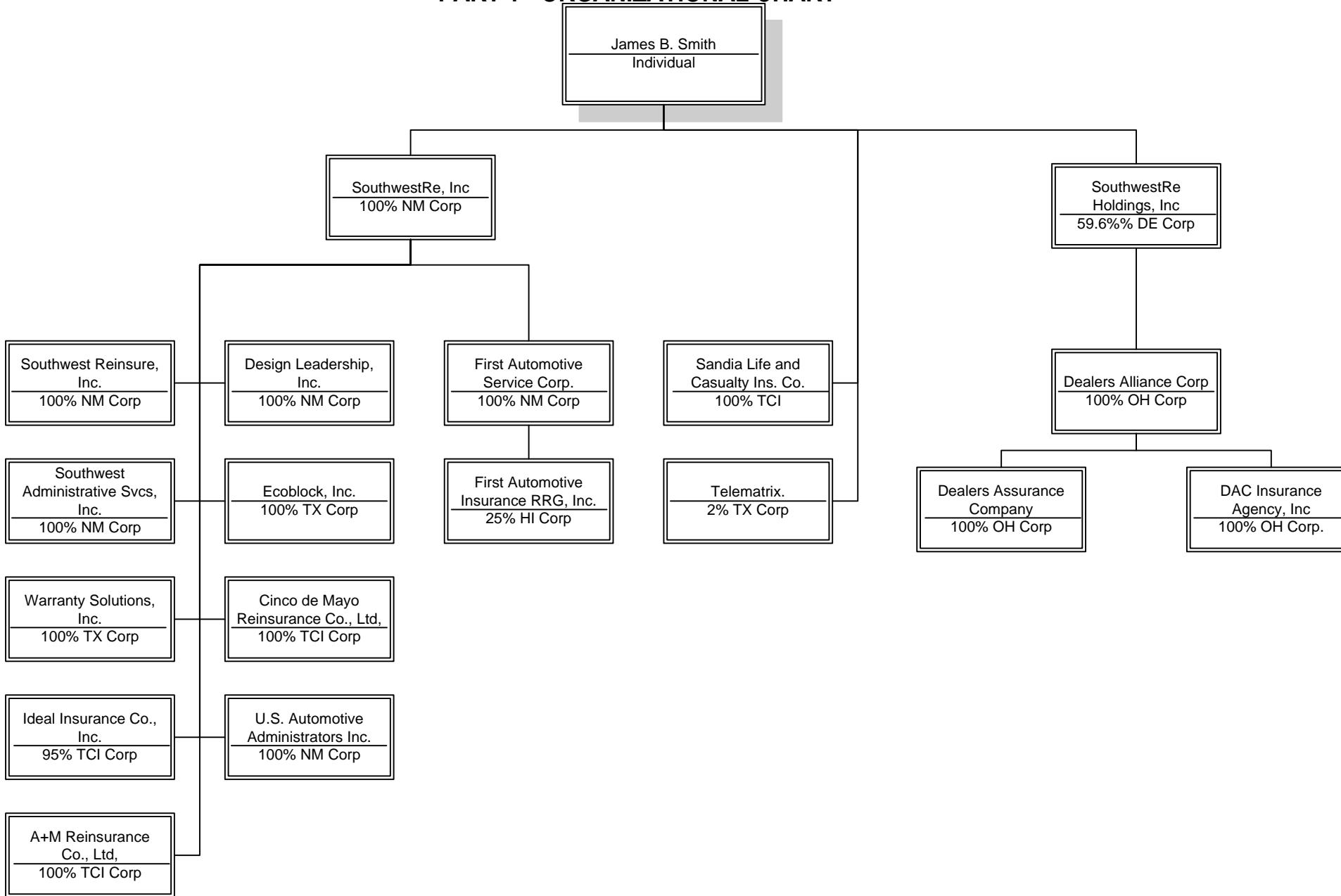
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG: (R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer:

(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



**PART 1 – LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence	261,323			
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1. 19.2 Private passenger auto liability				
19.3. 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty	33,976,286	22,336,704	65.7	64.2
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	34,237,609	22,336,704	65.2	63.7

DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)				

**PART 2 – DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	216,377	400,845	279,194
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1. 19.2 Private passenger auto liability			
19.3. 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty	21,182,636	46,802,612	42,109,319
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	21,399,013	47,203,457	42,388,513

DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

**PART 3 (000 omitted)****LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2011 Loss and LAE Payments on Unreported Claims as of Prior Year-End	6 Total 2011 Loss and LAE Payments (Cols 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss & LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + prior													
2. 2009													
3. Subtotals 2009 + prior													
4. 2010	13	3	16	9	1	10			1	1	(4)	(1)	(5)
5. Subtotals 2010 + prior	13	3	16	9	1	10			1	1	(4)	(1)	(5)
6. 2011	XXX	XXX	XXX	XXX	348	348	XXX	11	2	13	XXX	XXX	XXX
7. Totals	13	3	16	9	349	358		11	3	14	(4)	(1)	(5)

## 8. Prior Year-End Surplus As

13 Regards Policyholders	39,586	Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
		As % of Col. 1, Line 7	As % of Col. 2, Line 7	As % of Col. 3, Line 7

1. -30.769 2. -33.333 3. -31.250

Col. 13, Line 7

Line 8

4. -0.013

## 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.

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

**Explanation:**

Not Applicable

Not Applicable

Not Applicable

Not Applicable

**Bar Code:**



16705201149000020



16705201145500020



16705201136500020



16705201150500020

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**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A - VERIFICATION**

## Real Estate

	1 Year To Date	2 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)		

**NONE****SCHEDULE B - VERIFICATION**

## Mortgage Loans

	1 Year To Date	2 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 and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
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)		

**NONE****SCHEDULE BA - VERIFICATION**

## Other Long-Term Invested Assets

	1 Year To Date	2 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)		

**NONE****SCHEDULE D - VERIFICATION**

## Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	57,041,208	51,798,975
2. Cost of bonds and stocks acquired	9,186,541	17,556,867
3. Accrual of discount	15,843	25,580
4. Unrealized valuation increase (decrease)	180,592	331,276
5. Total gain (loss) on disposals	127,341	33,486
6. Deduct consideration for bonds and stocks disposed of	8,001,869	12,525,801
7. Deduct amortization of premium	118,493	179,175
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)	58,431,163	57,041,208
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	58,431,163	57,041,208

**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 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a) .....	55,496,000	4,410,471	4,311,642	(44,731)	55,496,000	55,550,098		55,160,536
2. Class 2 (a) .....	1,498,387			221	1,498,387	1,498,608		1,498,169
3. Class 3 (a) .....								
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....								
7. Total Bonds .....	56,994,387	4,410,471	4,311,642	(44,510)	56,994,387	57,048,706		56,658,705
<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 .....	56,994,387	4,410,471	4,311,642	(44,510)	56,994,387	57,048,706		56,658,705

(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 \$ 231,833; 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	2,232,506	XXX	2,232,506	953	

**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	2,928,765	4,999,188
2. Cost of short-term investments acquired	3,388,045	10,718,906
3. Accrual of discount		4
4. Unrealized valuation increase (decrease)		(4)
5. Total gain (loss) on disposals		30
6. Deduct consideration received on disposals	4,084,304	12,789,359
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)	2,232,506	2,928,765
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,232,506	2,928,765

**NONE      Schedule DB - Part A and B Verification**

**NONE      Schedule DB - Part C - Section 1**

**NONE      Schedule DB - Part C - Section 2**

**NONE      Schedule DB - Verification**

**NONE      Schedule E Verification**

**NONE      Schedule A - Part 2 and 3**

**NONE      Schedule B - Part 2 and 3**

**NONE      Schedule BA - Part 2 and 3**

**SCHEDULE D - PART 3**

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
31398A-2S-0	Fannie Mae Nt 1%		04/11/2011	Key Trust Co Of Ohio, Na		199,428	200,000.00	117	1FE
31398A-X3-1	Fannie Mae nt 1.25		04/11/2011	Key Trust Co Of Ohio, Na		200,800	200,000.00	375	1FE
31398A-ZV-7	Fannie Mae Nt 2.625%		04/20/2011	Key Trust Co Of Ohio, Na		517,345	500,000.00	5,688	1FE
3137EA-CR-8	Freddie Mac Nt 1.375%		04/15/2011	Key Trust Co Of Ohio, Na		501,330	500,000.00	1,986	1FE
912828-JW-1	US Treasury Nt 1.5%		04/11/2011	Key Trust Co Of Ohio, Na		176,402	175,000.00	754	1FE
0599999	Total Bonds U. S. Government				XXX	1,595,305	1,575,000.00	8,920	XXX
172967-EH-0	Citigroup Inc 6%		04/11/2011	BlackRock LC-C V/Merrill		65,573	60,000.00	590	1FE
191216-AK-6	Coca-Cola Co 5.35		06/03/2011	BlackRock LC-C V/Merrill		76,079	65,000.00	222	1FE
36962G-5C-4	General Elect Cap 2.95%		06/01/2011	Key Trust Co Of Ohio, Na		504,455	500,000.00	1,106	1FE
428236-BB-8	Hewlett-Packard Co Nt 1.25%		04/19/2011	Key Trust Co Of Ohio, Na		500,280	500,000.00	729	1FE
459200-GU-9	IBM Senior Nt 2%		05/27/2011	Key Trust Co Of Ohio, Na		499,515	500,000.00	4,806	1FE
46625H-HX-1	JP Morgan Chase & Co 3.45%		06/01/2011	Key Trust Co Of Ohio, Na		512,405	500,000.00	4,888	1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				XXX	2,158,307	2,125,000.00	12,341	XXX
8399997	Total Bonds Part 3				XXX	3,753,612	3,700,000.00	21,261	XXX
8399998	Summary Item from Part 5 for Bonds				XXX	XXX	XXX	XXX	XXX
8399999	Total Bonds				XXX	3,753,612	3,700,000.00	21,261	XXX
03073E-10-5	Amerisourcebergen Corp		06/06/2011	BlackRock LC-C V/Merrill	497,000	20,106			L
071813-10-9	Baxter Internl Inc		06/15/2011	VARIOUS	359,000	20,998			L
055622-10-4	BP PLC	R	04/09/2011	MFS Int'l/Merrill Lynch	69,000	3,264			L
156700-10-6	Centurylink Inc Shs		04/01/2011	BlackRock LC-C V/Merrill	728,000	29,870			L
16945R-10-4	China Unicom Hong Kong, Ltd	R	05/10/2011	MFS Int'l/Merrill Lynch	167,000	3,377			L
17275R-10-2	Cisco Sys Inc		06/22/2011	Delaware/Merrill Lynch	2,942,000	45,604			L
18683K-10-1	Cliffs Natural Resource Inc		05/16/2011	BlackRock LC-C V/Merrill	90,000	7,828			L
29274F-10-4	Enersis S A		06/29/2011	MFS Int'l/Merrill Lynch	382,000	8,714			L
302182-10-0	Express Scripts Inc Com		04/11/2011	BlackRock LC-C V/Merrill	424,000	23,776			L
35671D-85-7	Freeprt-Mcmran CPR & GLD		05/23/2011	BlackRock LC-C V/Merrill	329,000	15,545			L
425883-10-5	Hennes and Mauritz AB		04/11/2011	MFS Int'l/Merrill Lynch	971,000	6,848			L
446413-10-6	Huntington Ingalls Inc		04/05/2011	Undefined	104,000				L
518439-10-4	Lauder Estee Cos Inc A		06/01/2011	VARIOUS	200,000	20,417			L
594918-10-4	Microsoft Corp Com		05/16/2011	BlackRock LC-C V/Merrill	783,000	19,410			L
606822-10-4	Mitsubishi UFJ Finl Grp Inc	R	06/06/2011	MFS Int'l/Merrill Lynch	1,116,000	5,079			L
666807-10-2	Northrop Grumman Corp		04/05/2011	Delaware/Merrill Lynch	103,000	6,454			L
67066G-10-4	NVIDIA		05/09/2011	VARIOUS	1,644,000	32,710			L
68389X-10-5	Oracle Corp		05/02/2011	BlackRock LC-C V/Merrill	427,000	15,481			L
755111-50-7	Raytheon Cp Delaware		04/15/2011	Delaware/Merrill Lynch	928,000	45,489			L

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

**SCHEDULE D - PART 3**

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
767204-10-0	Rio Tinto PLC		04/13/2011	MFS Int'l/Merrill Lynch	232,000	16,712			L
775781-20-6	Rolls Royce Grp		06/29/2011	MFS Int'l/Merrill Lynch	130,000	6,521			L
9099999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				XXX	354,203	XXX		XXX
9799997	Total Common Stock Part 3				XXX	354,203	XXX		XXX
9799998	Summary Item from Part 5 for Common Stocks				XXX	XXX	XXX	XXX	XXX
9799999	Total Common Stock				XXX	354,203	XXX		XXX
9899999	Total Preferred and Common Stock				XXX	354,203	XXX		XXX
E04.1									
9999999	Totals				XXX	4,107,815	XXX	21,261	XXX

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

**SCHEDULE D - PART 4**

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's Other Than Temporary Impairment Recognized	13 Current Year's Amort- ization)/ Accretion	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
31398A-PG-1	Fannie Mae Nt 2.75%		04/11/2011	MATURITY			250,000	250,000.00	257,754	250,959		(959)		(959)		250,000				3,438	04/11/2011	1FE
31359M-M2-6	Fannie Mae Nt 5.125		04/15/2011	MATURITY			500,000	500,000.00	495,480	499,701		299		299		500,000				12,813	04/15/2011	1FE
31331Y-G4-6	Federal Farm Cr Banks 2.625		04/21/2011	MATURITY			500,000	500,000.00	509,835	501,397		(1,397)		(1,397)		500,000				6,563	04/21/2011	1FE
31368H-M4-2	FNMA P190379 05 50%2037		06/25/2011	PRINCIPAL RECEIPT			9,068	9,067.77	9,711	9,714		(646)		(646)		9,068				205	05/01/2037	1FE
31402C-PL-0	FNMA P725027 05%2033		06/25/2011	PRINCIPAL RECEIPT			11,679	11,679.47	12,453	12,457		(777)		(777)		11,679				241	11/01/2033	1FE
31403D-DX-4	FNMA P745418 05 50%2036		06/25/2011	PRINCIPAL RECEIPT			11,369	11,369.01	12,197	12,200		(831)		(831)		11,369				255	04/01/2036	1FE
31410F-VW-2	FNMA P888129 05 50%2037		06/25/2011	PRINCIPAL RECEIPT			7,764	7,764.03	8,315	8,317		(553)		(553)		7,764				176	02/01/2037	1FE
31410K-JY-1	FNMA P889579 06%2038		06/25/2011	PRINCIPAL RECEIPT			10,282	10,282.45	11,115	11,119		(836)		(836)		10,282				253	05/01/2038	1FE
31412P-RQ-6	FNMA P931195 04 50%2024		06/25/2011	PRINCIPAL RECEIPT			3,803	3,803.28	4,030	4,032		(228)		(228)		3,803				71	05/01/2024	1FE
31416B-TW-8	FNMA P995265 05 50%2024		06/25/2011	PRINCIPAL RECEIPT			6,844	6,843.66	7,432	7,433		(589)		(589)		6,844				155	01/01/2024	1FE
31418R-GS-4	FNMA PAD3808 04 50%2040		06/25/2011	PRINCIPAL RECEIPT			4,989	4,989.03	5,228	5,228		(239)		(239)		4,989				93	04/01/2040	1FE
3137EA-AB-5	Freddie Mac Med Trm 5.125		04/18/2011	MATURITY			500,000	500,000.00	494,740	499,641		359		359		500,000				12,813	04/18/2011	1FE
0599999	Total - Bonds - U.S. Governments				XXX		1,815,798	1,815,798.70	1,828,290	1,822,198		(6,397)		(6,397)		1,815,798				37,076	XXX	XXX
428236-AX-1	Hewlett-Packard Co 2.25%		05/27/2011	MATURITY			500,000	500,000.00	508,660	502,086		(2,086)		(2,086)		500,000				5,625	05/27/2011	1FE
46625H-GG-9	JP Morgan Chase & Co 5.6%		06/01/2011	MATURITY			500,000	500,000.00	499,075	499,911		89		89		500,000				14,000	06/01/2011	1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				XXX		1,000,000	1,000,000.00	1,007,735	1,001,997		(1,997)		(1,997)		1,000,000				19,625	XXX	XXX
8399997	Total - Bonds - Part 4				XXX		2,815,798	2,815,798.70	2,836,025	2,824,195		(8,394)		(8,394)		2,815,798				56,701	XXX	XXX
8399998	Summary Item from Part 5 for Bonds				XXX		XXX	XXX	XXX	XXX												
8399999	Total Bonds				XXX		2,815,798	2,815,798.70	2,836,025	2,824,195		(8,394)		(8,394)		2,815,798				56,701	XXX	XXX
055434-20-3	BG Group PLC	R	04/09/2011	MFS Int'l/Merrill Lynch	20.00	2,517			1,790	2,040	(250)			(250)		1,790				727	727	L
05545E-20-9	BHP Billiton PLC SP	R	04/12/2011	MFS Int'l/Merrill Lynch	192.00	15,908			11,042	15,456	(4,414)			(4,414)		11,042				4,866	4,866	L
12673P-10-5	CA Inc		05/02/2011	BlackRock LC-C V/Merr	337.00	8,233			8,523	8,236	286			286		8,523				(289)	(289)	L
156700-10-6	Centurylink Inc Shs		05/02/2011	BlackRock LC-C V/Merr	728.00	29,413			29,870							29,870				(456)	(456)	L
16941R-10-8	China Pete Chem	R	06/22/2011	MFS Int'l/Merrill Lynch	91.00	8,517			8,163	8,708	(545)			(545)		8,163				354	354	L
29666V-20-4	Espirit Holding LTD	R	04/11/2011	MFS Int'l/Merrill Lynch	505.00	4,568			7,304	4,803	2,501			2,501		7,304				(2,736)	(2,736)	L
302182-10-0	Express Scripts Inc Com		05/23/2011	BlackRock LC-C V/Merr	424.00	25,069			23,776							23,776				1,293	1,293	L
364760-10-8	GAP Inc Delaware		05/02/2011	BlackRock LC-C V/Merr	532.00	12,235			9,703	11,778	(2,075)			(2,075)		9,703				2,532	2,532	L
427866-10-8	Hershey Company		06/06/2011	BlackRock LC-C V/Merr	141.00	7,665			6,104	6,648	(544)			(544)		6,104				1,561	1,561	L
446413-10-6	Huntington Ingalls Inc		04/05/2011	Delaware/Merrill Lynch	104.00	4,187										4,186						L

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

0

**SCHEDULE D - PART 4**

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's Other Than Temporary Impairment Recognized	13 Current Year's Amort- ization)/ Accretion	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.									
459200-10-1	IBM Com		06/22/2011	Delaware/Merrill Lynch	349.00	57,899			36,478	51,219	(14,741)			(14,741)			36,478		21,421	21,421	314	L	
492051-30-5	Keppel Ltd Spons ADR	R	05/23/2011	MFS Int'l/Merrill Lynch	0.10	5			1	2	(1)			(1)			1		5	5		L	
561641-10-1	Man AG Shs	R	06/22/2011	MFS Int'l/Merrill Lynch	430.00	5,788			3,644	5,096	(1,452)			(1,452)			3,644		2,144	2,144		L	
G6359F-10-3	Nabors Industries Ltd		06/06/2011	BlackRock LC-C V/Merr	467.00	12,406			10,566	10,956	(390)			(390)			10,566		1,840	1,840		L	
637071-10-1	National-Oilwell Varco Inc		04/15/2011	Delaware/Merrill Lynch	787.00	59,909			34,702	52,926	(18,223)			(18,223)			34,702		25,206	25,206	34	L	
723787-10-7	Pioneer Natural Res Co		05/16/2011	BlackRock LC-C V/Merr	205.00	18,610			12,042	17,798	(5,756)			(5,756)			12,042		6,568	6,568	8	L	
744383-10-0	PT Indosat TBK ADR	R	05/12/2011	MFS Int'l/Merrill Lynch	97.00	2,924			3,268	2,825	443			443			3,268		(343)	(343)		L	
749121-10-9	Qwest CommIntl Inc Com		04/01/2011	VARIOUS	4,377.00	29,895			31,862								31,862		(1,967)	(1,967)	412	L	
778296-10-3	Ross Stores Inc Com		06/15/2011	BlackRock LC-C V/Merr	286.00	22,460			12,376	18,090	(5,714)			(5,714)			12,376		10,084	10,084		L	
80004C-10-1	Sandisk Corp Inc		04/11/2011	BlackRock LC-C V/Merr	256.00	11,912			11,067	12,764	(1,697)			(1,697)			11,067		845	845		L	
855244-10-9	Starbucks Corp		06/13/2011	BlackRock LC-C V/Merr	208.00	7,280			6,770								6,770		510	510	38	L	
872540-10-9	TJX Cos Inc		06/01/2011	BlackRock LC-C V/Merr	386.00	20,402			11,239	17,135	(5,895)			(5,895)			11,239		9,162	9,162	177	L	
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				XXX	367,802			280,290	246,480	(58,467)			(58,467)			280,290		87,513	87,513	1,318	XXX	XXX
9799997	Total - Common Stock - Part 4				XXX	367,802	XXX		280,290	246,480	(58,467)			(58,467)			280,290		87,513	87,513	1,318	XXX	XXX
9799998	Summary Item from Part 5 for Common Stocks				XXX	XXX	XXX		XXX	XXX												XXX	XXX
9799999	Total Common Stocks				XXX	367,802	XXX		280,290	246,480	(58,467)			(58,467)			280,290		87,513	87,513	1,318	XXX	XXX
9899999	Total Preferred and Common Stocks				XXX	367,802	XXX		280,290	246,480	(58,467)			(58,467)			280,290		87,513	87,513	1,318	XXX	XXX
9999999	Totals					3,183,600	XXX		3,116,315	3,070,675	(58,467)	(8,394)		(66,861)			3,096,088		87,513	87,513	58,019	XXX	XXX

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

**NONE      Schedule DB - Part A - Section 1**

**NONE      Schedule DB - Part B - Section 1**

**NONE      Schedule DB - Part D**

**NONE      Schedule DL - Part 1**

**NONE      Schedule DL - Part 2**

**SCHEDULE E - PART 1 - CASH**

## Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
Key Bank	Columbus, OH				510,583	875,810	929,684	
Key Bank	Columbus, OH				26,961	57,221	41,389	
Bank of Oklahoma	Tulsa, OK	0.500	37		16,747	90,704	92,229	
Key Bank	Columbus, OH	0.500	81		212,295	111,919	111,408	
Key Bank	Columbus, OH	0.500	70		140,951	140,975	141,474	
Key Bank	Columbus, OH					100,000	100,000	
0199998 Deposits in ( 0 ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total - Open Depositories	XXX	XXX	188		907,537	1,376,629	1,416,184	XXX
Suspended Depositories								
0299998 Deposits in ( 0 ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX	XXX						XXX
0299999 Total Suspended Depositories	XXX	XXX						XXX
0399999 Total Cash on Deposit	XXX	XXX	188		907,537	1,376,629	1,416,184	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX	300	300	300	XXX
0599999 Total	XXX	XXX	188		907,837	1,376,929	1,416,484	XXX

**NONE      Schedule E - Part 2**