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QUARTERLY STATEMENT

AS OF June 30, 2011

OF THE CONDITION AND AFFAIRS OF THE

McKinley Life Insurance Company

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 77216 Employer's ID Number 341624818

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[X] Property/Casualty[ ] Hospital, Medical & Dental Service or Indemnity[ ]
Dental Service Corporation[ ] Vision Service Corporation[ ] Health Maintenance Organization[ ]
Other[ ] Is HMO Federally Qualified? Yes[X] No[ ] N/A[ ]

Incorporated/Organized 08/15/1989 Commenced Business 11/01/1989

Statutory Home Office 2600 Sixth Street SW (Street and Number), Canton, OH 44710 (City, or Town, State and Zip Code)

Main Administrative Office 2600 Sixth Street SW (Street and Number)
Canton, OH 44710 (City or Town, State and Zip Code) (330)363-4057 (Area Code) (Telephone Number)

Mail Address 2600 Sixth Street SW (Street and Number or P.O. Box), Canton, OH 44710 (City, or Town, State and Zip Code)

Primary Location of Books and Records 2600 Sixth Street SW (Street and Number)
Canton, OH 44710 (City, or Town, State and Zip Code) (330)363-4057 (Area Code) (Telephone Number)

Internet Web Site Address www.aultcare.com

Statutory Statement Contact Jeffrey Alan Scheatzle (Name) (330)363-4057 (Area Code)(Telephone Number)(Extension)
jscheatzle@aultman.com (E-Mail Address) (330)363-5012 (Fax Number)

OFFICERS

Name	Title
Rick L. Haines	President
William Wallace M.D.	Secretary
Mark D. Wright	Treasurer
Edward J. Roth III	Executive Vice President

OTHERS

DIRECTORS OR TRUSTEES

William Wallace M.D.
Christopher E. Remark
Rick L. Haines
Mark D. Wright
John B. Humphrey Jr.,M.D.
Darryl J. Dillenback
Gregory A. Haban M.D.
Edward J. Roth III
Michael A. Rich M.D.
Michael R. Gallina
Timothy L. Hagen D.O.
Allen Rovner M.D.

State of Ohio
County of Stark 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)	(Signature)	(Signature)
Rick L. Haines	William Wallace	Mark D. Wright
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
________ day of ________, 2011

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

(Notary Public Signature)

ASSETS

		Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1.	Bonds	57,999,825		57,999,825	55,531,759
2.	Stocks:				
	2.1 Preferred stocks				
	2.2 Common stocks	16,253,162		16,253,162	15,537,644
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 $...............0 encumbrances)				
5.	Cash ($......14,697,655), cash equivalents ($...............0) and short-term investments ($...............0)	14,697,655		14,697,655	21,616,226
6.	Contract loans (including $...............0 premium notes)				
7.	Derivatives				
8.	Other invested assets	18,758,792		18,758,792	15,630,026
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)	107,709,434		107,709,434	108,315,654
13.	Title plants less $...............0 charged off (for Title insurers only)				
14.	Investment income due and accrued	515,506		515,506	531,153
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	3,252,735		3,252,735	2,236,506
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $...............0 earned but unbilled premiums)				
	15.3 Accrued retrospective premiums				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	530,308		530,308	20,058
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				187,478
18.2	Net deferred tax asset	3,501,869		3,501,869	3,501,869
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets ($...............0)				
22.	Net adjustments in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				
24.	Health care ($.......3,954,620) and other amounts receivable	4,308,129	333,369	3,974,760	3,991,066
25.	Aggregate write-ins for other than invested assets				
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	119,817,980	333,369	119,484,611	118,783,783
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	119,817,980	333,369	119,484,611	118,783,783
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.					
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)				

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.......1,208,500 reinsurance ceded)	34,996,968		34,996,968	34,766,056
2.	Accrued medical incentive pool and bonus amounts	949,047		949,047	2,783,155
3.	Unpaid claims adjustment expenses	1,216,800		1,216,800	1,200,700
4.	Aggregate health policy reserves	7,468,012		7,468,012	10,729,631
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	7,401,203		7,401,203	3,953,161
9.	General expenses due or accrued	2,704,061		2,704,061	4,209,137
10.1	Current federal and foreign income tax payable and interest thereon (including $...............0 on realized gains (losses))	137,525		137,525	
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable	2,109,258		2,109,258	1,166,890
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 $...............0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties with ($...............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	400,487		400,487	400,487
23.	Aggregate write-ins for other liabilities (including $...............0 current)				
24.	Total liabilities (Lines 1 to 23)	57,383,362		57,383,362	59,209,217
25.	Aggregate write-ins for special surplus funds	XXX	XXX		
26.	Common capital stock	XXX	XXX	1,000,000	1,000,000
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX	48,875,734	48,875,734
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX		
31.	Unassigned funds (surplus)	XXX	XXX	12,225,515	9,698,832
32.	Less treasury stock, at cost:				
	32.1 ....0 shares common (value included in Line 26 $...............0)	XXX	XXX		
	32.2 ....0 shares preferred (value included in Line 27 $...............0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	62,101,249	59,574,566
34.	Total Liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	119,484,611	118,783,783
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.		XXX	XXX		
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.		XXX	XXX		
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date 1 Uncovered	2 Total	Prior Year To Date 3 Total	Prior Year Ended December 31 4 Total
1.	Member Months	X X X	676,479	636,510	1,293,750
2.	Net premium income (including $..............0 non-health premium income)	X X X	211,787,822	205,310,974	417,360,736
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	211,787,822	205,310,974	417,360,736
Hospital and Medical:					
9.	Hospital/medical benefits		133,820,945	127,954,981	259,716,271
10.	Other professional services				
11.	Outside referrals		19,685,630	16,407,800	32,811,603
12.	Emergency room and out-of-area		3,746,192	3,342,330	7,062,983
13.	Prescription drugs		28,308,199	29,913,120	61,805,949
14.	Aggregate write-ins for other hospital and medical		3,007,693	4,402,871	9,077,684
15.	Incentive pool, withhold adjustments and bonus amounts		2,338,500	2,250,000	4,500,000
16.	Subtotal (Lines 9 to 15)		190,907,159	184,271,102	374,974,491
Less:					
17.	Net reinsurance recoveries		2,192,306	1,270,057	3,428,362
18.	Total hospital and medical (Lines 16 minus 17)		188,714,853	183,001,045	371,546,129
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including $.......1,987,792 cost containment expenses		3,094,611	3,045,714	6,317,250
21.	General administrative expenses		17,747,705	15,637,331	35,872,539
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)		209,557,169	201,684,090	413,735,918
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	2,230,653	3,626,885	3,624,818
25.	Net investment income earned		1,141,569	1,134,184	2,369,220
26.	Net realized capital gains (losses) less capital gains tax of $..............0		(1,014)	384	(2,032)
27.	Net investment gains or (losses) (Lines 25 plus 26)		1,140,555	1,134,568	2,367,187
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	3,371,208	4,761,452	5,992,005
31.	Federal and foreign income taxes incurred	X X X	1,212,000	1,100,000	3,497,644
32.	Net income (loss) (Lines 30 minus 31)	X X X	2,159,208	3,661,452	2,494,361
DETAILS OF WRITE-INS					
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.	Reinsurance Claims		3,007,693	4,402,871	9,077,684
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)		3,007,693	4,402,871	9,077,684
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 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	59,574,566	49,238,854	49,238,854
34.	Net income or (loss) from Line 32	2,159,208	3,661,452	2,494,361
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	710,576	(520,607)	1,051,658
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			1,727,193
39.	Change in nonadmitted assets	(193,101)	(553,712)	(77,501)
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			5,140,000
	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)	2,676,683	2,587,133	10,335,712
49.	Capital and surplus end of reporting period (Line 33 plus 48)	62,251,249	51,825,988	59,574,566
DETAILS OF WRITE-INS				
4701.	0			
4702.	0			
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 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	Cash from Operations			
1.	Premiums collected net of reinsurance	211,900,384	210,017,450	427,434,710
2.	Net investment income	1,184,347	492,124	2,766,718
3.	Miscellaneous income			
4.	Total (Lines 1 to 3)	213,084,731	210,509,575	430,201,428
5.	Benefit and loss related payments	191,005,094	181,471,082	374,105,130
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	22,331,291	20,406,118	42,645,769
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $..............0 tax on capital gains (losses)	886,997	1,247,482	4,449,041
10.	Total (Lines 5 through 9)	214,223,382	203,124,681	421,199,940
11.	Net cash from operations (Line 4 minus Line 10)	(1,138,651)	7,384,893	9,001,488
	Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	4,232,000	5,775,000	11,625,000
	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			3,633,371
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,232,000	5,775,000	15,258,371
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	6,728,210	2,592,000	7,479,150
	13.2 Stocks	154,942	1,828,933	7,346,912
	13.3 Mortgage loans			
	13.4 Real estate			
	13.5 Other invested assets	3,128,767	2,200,000	2,200,000
	13.6 Miscellaneous applications			
	13.7 Total investments acquired (Lines 13.1 to 13.6)	10,011,919	6,620,933	17,026,062
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)	(5,779,919)	(845,933)	(1,767,691)
	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			5,140,000
	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)			
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)			5,140,000
	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)	(6,918,570)	6,538,960	12,373,796
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	21,616,226	9,242,429	9,242,429
	19.2 End of period (Line 18 plus Line 19.1)	14,697,655	15,781,390	21,616,226

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

20.0001	Cumulative effect of changes in accounting principles			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	110,584	6,480	48,032			3,575	2,516	21,053		28,928
2. First Quarter	111,743	6,416	47,407			5,493	2,424	21,571		28,432
3. Second Quarter	114,964	6,410	48,092			7,200	2,376	21,675		29,211
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	676,479	38,671	285,094			35,160	14,596	129,556		173,402
Total Member Ambulatory Encounters for Period:										
7. Physician	201,550	11,571	100,151				7,142	82,686		
8. Non-Physician	598,288	28,522	245,370				18,167	306,229		
9. Total	799,838	40,093	345,521				25,309	388,915		
10. Hospital Patient Days Incurred	29,081	648	7,607				753	20,073		
11. Number of Inpatient Admissions	5,350	137	1,699				120	3,394		
12. Health Premiums Written (a)	218,012,769	8,270,178	82,494,967			839,441	7,427,714	114,571,472		4,408,997
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	218,012,769	8,270,178	82,494,967			839,441	7,427,714	114,571,472		4,408,997
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	190,318,049	6,090,652	70,971,889			587,609	7,893,171	102,064,609		2,710,120
18. Amount Incurred for Provision of Health Care Services	190,937,159	6,431,694	70,362,379			587,609	8,144,508	102,403,277		3,007,693

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....114,571,472.

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered						
0499999 Subtotals						
0599999 Unreported claims and other claim reserves						36,205,468
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						36,205,468
0899999 Accrued Medical Incentive Pool And Bonus Amounts						949,047

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid Year to Date		Liability End of Current Quarter		5	6
		1	2	3	4		
	Line of Business	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	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
1.	Comprehensive (hospital & medical)	11,934,536	60,939,092	29,118	13,503,421	11,963,653	13,654,467
2.	Medicare Supplement						
3.	Dental only		587,609				
4.	Vision only						
5.	Federal Employees Health Benefits Plan	1,141,589	6,751,581	983	579,241	1,142,573	564,085
6.	Title XVIII - Medicare	20,208,748	81,855,860	71,123	19,243,081	20,279,871	18,977,504
7.	Title XIX - Medicaid						
8.	Other health	1,538,600	1,171,520	3,768	1,566,232	1,542,368	1,570,000
9.	Health subtotal (Lines 1 to 8)	34,823,473	151,305,662	104,992	34,891,976	34,928,465	34,766,056
10.	Healthcare receivables (a)	1,504,620				1,504,620	1,520,926
11.	Other non-health						
12.	Medical incentive pools and bonus amounts	2,972,608	1,200,000	(189,453)	1,138,500	2,783,155	2,783,155
13.	Totals (Lines 9 - 10 + 11 + 12)	36,291,462	152,505,662	(84,461)	36,030,476	36,207,001	36,028,285

(a) Excludes $.......2,803,509 loans or advances to providers not yet expensed.

Notes to Financial Statement

SECTION A

1. Summary of Significant Accounting Policies.
   A. The accompanying financial statements of McKinley Life Insurance Company has been completed in accordance with the NAIC Accounting Practices and Procedures manual except to the extent that state law differs.
   B. No Change.
   C. Accounting Policy
      (1) No Change.
      (2) No Change.
      (3) No Change.
      (4) No Change.
      (5) No Change.
      (6) No Change.
      (7) The Company has investments in subsidiaries and affiliates with a book adjusted carrying value totaling $18,758,792. Of this amount, $114,359 is invested in McKinley Life Agency, Ltd. $8,546,249 is invested in AultCare Corporation. The remaining $10,098,185 is invested in West Tuscarawas Property Management.
      (8) No Change.
      (9) No Change.
      (10) No Change.
      (11) No Change.
      (12) No Change.
      (13) No Change.
2. Accounting Changes and corrections of Errors
   A. No Change.
3. Business Combinations and Goodwill
   A. No Change.
   B. No Change.
   C. No Change.
   D. No Change.
4. No Change.
5. Investments
   A. No Change.
   B. No Change.
   C. No Change.
   D. No Change.
   E. No Change.
   F. No Change.
   G. No Change.
6. Joint Ventures, Partnerships and Limited Liability Companies.
   A. No Change.
   B. No Change.
7. No Change.
8. No Change.

9. Income Taxes
   A. The components of the net deferred tax asset/(liability) at June 30 are as follows:

1. (reported in thousands)		6/30/2011			6/30/2010			Change		
		(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a)	Gross Deferred Tax Assets	$3,502	$ -	$3,502	$1,754	$21	$1,775	$ 1,748	$(21)	$1,727
(b)	Statutory Valuation Allowance Adjustment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(c)	Adjusted Gross Deferred Tax Assets (1a-1b)	$3,502	$ -	$3,502	$1,754	$21	$1,775	$ 1,748	$(21)	$1,727
(d)	Deferred Tax Liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(e)	Subtotal (Net Deferred Tax Assets) (1c-1d)	$3,502	$ -	$3,502	$1,754	$21	$1,775	$ 1,748	$(21)	$1,727
(f)	Deferred Tax Assets Nonadmitted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(g)	Net Admitted Deferred Tax Assets (1e-1f)	$3,502	$ -	$3,502	$1,754	$21	$1,775	$ 1,748	$(21)	$1,727
2. The application of paragraph 10.e SSAP No. 10R, Income Taxes has no effect on the admitted portion of the DTA, in either period.										
4. (reported in thousands)		6/30/2011			6/30/2010			Change		
Admission Calculation Components		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Notes to Financial Statement

SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.		Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a)	SSAP No. 10R, Paragraph 10.a.	$3,502	$ -	$3,502	$1,454	$ -	$1,454	$2,048	$ -	$2,048
(b)	SSAP No. 10R, Paragraph 10.b. (the lessor of paragraph 10.b.i. and 10.b.ii. below)	$ -	$ -	$ -	$300	$21	$321	$(300)	$(21)	$(321)
(c)	SSAP No. 10R, Paragraph 10.b.i.	$ -	$ -	$ -	$300	$21	$321	$(300)	$(21)	$(321)
(d)	SSAP No. 10R, Paragraph 10.b.ii.	XXX	XXX	$5,860	XXX	XXX	$4,973	XXX	XXX	$887
(e)	SSAP No. 10R, Paragraph 10.c.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(f)	Total (4a + 4b + 4e)	$3,502	$ -	$3,502	$1,754	$21	$1,775	$1,748	$(21)	$1,727

5. (reported in thousands)		6/30/2011			6/30/2010			Change		
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.		(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a)	Admitted Deferred Tax Assets	$3,502	$ -	$3,502	$1,754	$21	$1,775	$1,748	$(21)	$1,727
(b)	Admitted Assets	XXX	XXX	$119,485	XXX	XXX	$108,168	XXX	XXX	$11,317
(c)	Adjusted Statutory Surplus	XXX	XXX	$58,599	XXX	XXX	$49,731	XXX	XXX	$8,868
(d)	Total Adjusted Capital from DTAs	XXX	XXX	$ -	XXX	XXX	$ -	XXX	XXX	$ -

B. N/A

C. Income Taxes Incurred and changes in DTA's and DTL's

	(1) 6/30/2011	(2) 6/30/2010	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$1,212,000	$500,000	$712,000
(b) Foreign	$ -	$ -	$ -
2. Deferred Tax Assets			
(a) Ordinary			
(1) Uncollected Premiums	$77,787	$77,787	$ -
(2) Premiums Received in Advance	$268,815	$261,900	$6,915
(3) Claims Unpaid	$227,875	$258,164	$ (30,289)
(4) Reserve for Return of Premium	$2,670,380	$943,062	$1,727,318
	(1) 6/30/2011	(2) 6/30/2010	(3) (Col 1-2) Change
2. Deferred Tax Assets			
(5) Compensation Accrual	$217,293	$166,727	$50,566
(6) Other	$39,719	$46,423	$(6,704)
(7) Subtotal	$3,501,869	$1,754,063	$1,747,806
(b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(c) Nonadmitted	$ -	$ -	$ -
(d) Admitted ordinary deferred tax assets (2a6 - 2b-2c)	$3,501,869	$1,754,063	$1,747,806
(e) Capital			
(1) Other	$ -	$20,613	$(20,613)
(2) Subtotal	$ -	$20,613	$(20,613)
(f) Statutory valuation allowance adjustment	$ -	$ -	$ -
(g) Nonadmitted	$ -	$ -	$ -
(h) Admitted capital deferred tax assets (2e2 - 2f - 2g)	$ -	$20,613	$(20,613)
(i) Admitted deferred tax assets (2d + 2h)	$3,501,869	$1,774,676	$1,727,193
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Other	$ -	$ -	$ -
(2) Subtotal	$ -	$ -	$ -
(b) Capital	$ -	$ -	$ -
(1) Other	$ -	$ -	$ -
(2) Subtotal	$ -	$ -	$ -
(c) Deferred tax liabilities (3a2 + 3b2)	$ -	$ -	$ -
4. Net deferred tax assets/liabilities (2i - 3c)	$3,501,869	$1,774,676	$1,727,193

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

	6/30/2011	Effective Tax Rate
Provision computed at statutory rate	$ 1,145,211	34%
Other - 2011 Deferred Tax Payments	$ 65,789	2%

Notes to Financial Statement

Total	$ 1,212,000	36%

E. The Company incurred income taxes of $3,402,785 in 2010 and $1,619,766 in 2009 that are available for recoupment in event of future net losses. There are no income taxes incurred in prior years that are available for recoupment. Also, the Company had no deposits admitted under Section 6603 of the IRS Code.

F. The Company does not file a consolidated federal income tax return.

10. Information Concerning Parent, Subsidiaries and Affiliates

A, B, C, The Company paid Aultman Hospital $16,599,512 in capitated claims for its enrollees. The Company paid Aultman Hospital $33,491,606 in Medicare claims for its enrollees. The Company paid $284,798 to Aultman Health Foundation for management services. The Company paid $332,846 to Aultman Health Foundation for rent.

D. At June 30, 2011, the Company reported $0 due from the parent company, Aultman Health Foundation. The Company has an intercompany revolving credit facility in place with AultCare, an affiliate, that allows AultCare to borrow and repay operating funds. As of March 31, 2011, AultCare owes $8.5 million under the terms of the agreement. The Company also has capitation arrangement with the parent company for anticipation of future services. As of June 30, 2011, the Company paid $2.5 million to Aultman Health Foundation for these future services.

E. No Change.

F. No Change.

G. No Change.

H. The Company has an investment in West Tuscarawas Property Management with an admitted asset value of $10,098,185. The Company also had an investment in a subsidiary, McKinley Life Agency, Ltd. of $114,359. Also, the Company had an investment in affiliate AultCare Corp. of $8,546,249.

I. No Change.

J. No Change.

K. No Change.

L. No Change.

11. No Change.

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

A. The Company had no defined benefit plans.

B. Contributions of 3% of each employee's compensation are made each year. The Company's contribution for the defined contribution plan was $184,121 and $330,146 for 2011 and 2010 respectively.

C – F No Change.

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

(1) No Change.

(2) No Change.

(3) No Change.

(4) No Change.

(5) No Change.

(6) No Change.

(7) No Change.

(8) The Amounts of stock held by the Company, including stock of affiliated companies, for special purposes was:
For conversion of preferred stock: 0 shares.
a. For employee stock options: 0 shares.
b. For stock purchase warrants: 0 shares.

(9) No Change.

(10) No Change.

(11) No Change.

(12) No Change.

(13) No Change.

14. Contingencies

A. No Change.

B. No Change.

C. No Change.

D. No Change.

E. No Change.

Notes to Financial Statement

15. Leases
    - A. The Company leases office buildings from Aultman Health Foundation. The length of the lease is for five years which expires December 31, 2013. In 2011, the company paid $332,846 to Aultman Health Foundation for rent.
    - B. No Change.
16. No Change.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.
    - A. No Change.
    - B. No Change.
    - C. The Company had no wash sales.
18. No Change.
19. No Change.
20. Fair Value Measurements
    - A. The Company has assets that are measured at fair value on a recurring basis.

(1)

Fair Value Measurements at Reporting Date				
(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair value				
Common Stock	$ 16,253,162	$ -	$ -	$ -
Total assets at fair value	$ 16,253,162	$ -	$ -	$ -

(2) The Company had no assets with fair value measurements using significant unobservable inputs.

(3) The Company uses the valuation technique that is based on the quoted prices in the active markets.

21. Other Items
    - A. The Company did not experience an extraordinary event or transaction that resulted in a gain or loss.
    - B. The Company had no troubled debt to restructure.
    - C. There are no other disclosures.
    - D. At June 30, 2011 the Company had admitted assets of $3,252,735 in accounts receivable and amounts due from agents. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
    - E. The Company did not have any Business Interruption Insurance Recoveries.
    - F. The Company did not have any State Transferable Tax Credits.
    - G. The Company had no Subprime Mortgage Related Risk Exposure.
    - H. On or about December 27, 2007, CSAHS/UHHS-Canton, Inc. d/b/a Mercy Medical Center (“Mercy”), a competitor of Aultman Hospital in Stark County, Ohio, filed an action in the Stark County Court of Common Pleas against Aultman Health Foundation, AultCare Corporation, Aultman Hospital, and McKinley Life Insurance Company (collectively, “Defendants”). Mercy alleged that the four Defendants had each, among other things, violated Ohio’s antitrust laws, tortiously interfered with Mercy’s business relationships, and engaged in unfair competition and a civil conspiracy. The action went to trial, and in June, 2010, the jury rendered judgment in favor of the Defendants on five of the six Mercy claims that were still at issue by that time. With respect to the sixth claim, for an alleged violation of Ohio’s Patten of Corrupt Activities Statute, the jury found “Aultman” liable to Mercy for $6,148,000 in damages. Mercy had sought $110,000,000 in damages. On October 19, 2010, the trial judge overruled the four Defendants’ motion for judgment notwithstanding the verdict and for a new trial, but denied Mercy’s claim for prejudgment interest. The trial judge also granted Mercy injunctive relief and attorneys fees of $4,000,000. Neither the one verdict on which Mercy prevailed nor any of the Court’s October 19 orders allocated the jury’s award among the four Defendants. The four Defendants appealed the jury verdict and the judge’s orders on October 22, 2010 and intend to vigorously pursue the appeal.
22. No Change.
23. Reinsurance
    - A. Ceded Reinsurance Report

Section 1 – General Interrogatories

Notes to Financial Statement

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the company?
Yes ( ) No (X)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?
Yes ( ) No (X)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
Yes ( ) No (X)

(2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurers exceed the total direct premium collected under the reinsured policies?
Yes ( ) No (X)

Section 3 – Ceded Reinsurance Report – part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.
$0

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year this statement, to included policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes ( ) No (X)

B. The Company did not write off any uncollectible reinsurance during the year.

C. The Company did not have any commutation of ceded reinsurance during the year.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company has one contract with Federal Employees Health Benefit Plan that is subject to redetermination upon audits performed by the Office of Personnel Management.

B. The Company records accrued retrospective premiums as an adjustment to earned premiums.

C. The Company has accrued $0 of net premiums written as of June 30, 2011 for the group health plan. No other net premiums written by the Company are subject to retrospective rating features.

25. The Company did not make any changes in the provision for incurred loss and loss adjustment expenses attributable to insured events of prior years.

26. No Change.

27. No Change.

28. A.

Quarter	Estimated Rx Rebates as Reported on Statement	Rx Rebates as Invoiced	Actual Rebates Received Within 90 days of Invoicing	Rebates Received Within 91 to 180 days of Invoicing	Rebates Received More Than 180 days of Invoicing
6/30/11	$111,477	$1,242,743			
3/31/11	$450,792	$903,428			
12/31/10	$450,792	$903,428	$583,468	$249,856	
9/30/10	$578,128	$776,092	$603,248	$202,522	
6/30/10	$607,772	$746,448	$557,521	$216,316	
3/31/10	$652,256	$701,964	$553,547	$182,843	
12/31/09	$439,392	$814,828	$635,822	$249,359	
9/30/09	$659,392	$814,828	$645,065	$139,599	

Notes to Financial Statement

Cont 28. A.

6/30/09	$798,568	$795,652	$814,316	$5,484	
3/31/09	$805,504	$788,716	$639,930	$134,923	
12/31/08	$719,061	$878,159	$823,377	$89,013	
9/30/08	$1,091,185	$873,592	$713,150	$147,735	

B. No Change.

29. No Change.
30. No Change.
31. No Change.

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? 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. 12/31/2005

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). 10/31/2007

6.4 By what department or departments?

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

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

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? 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]

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? Yes[X] No[ ]
(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.

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[ ] No[X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

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: $ 10,098,185

13. Amount of real estate and mortgages held in short-term investments: $ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[X] No[ ]

14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

		1 Prior Year-End Book/Adjusted Carrying Value	2 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	15,630,026	18,758,792
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	15,630,026	18,758,792
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? Yes[ ] No[X]
15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[ ] No[ ] N/A[X]
If no, attach a description with this statement.

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

1 Name of Custodian(s)	2 Custodian Address
FirstMerit Trust Company	4481 Munson St. NW #200, Canton, OH 44718
The Vanguard Group	P.O. Box 2600, Valley Forge, PA 19482

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes[ ] No[X]
16.4 If yes, give full and complete information relating thereto:

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

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of 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

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 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent	88.000%
1.2 A&H cost containment percent	1.000%
1.3 A&H expense percent excluding cost containment expenses	8.000%
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)

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		Direct Business Only							
	1	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	96,013,583	114,571,472		7,427,714			218,012,769	
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)	XXX								
59. Subtotal	XXX	96,013,583	114,571,472		7,427,714			218,012,769	
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. Total (Direct Business)	(a) 1	96,013,583	114,571,472		7,427,714			218,012,769	
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								

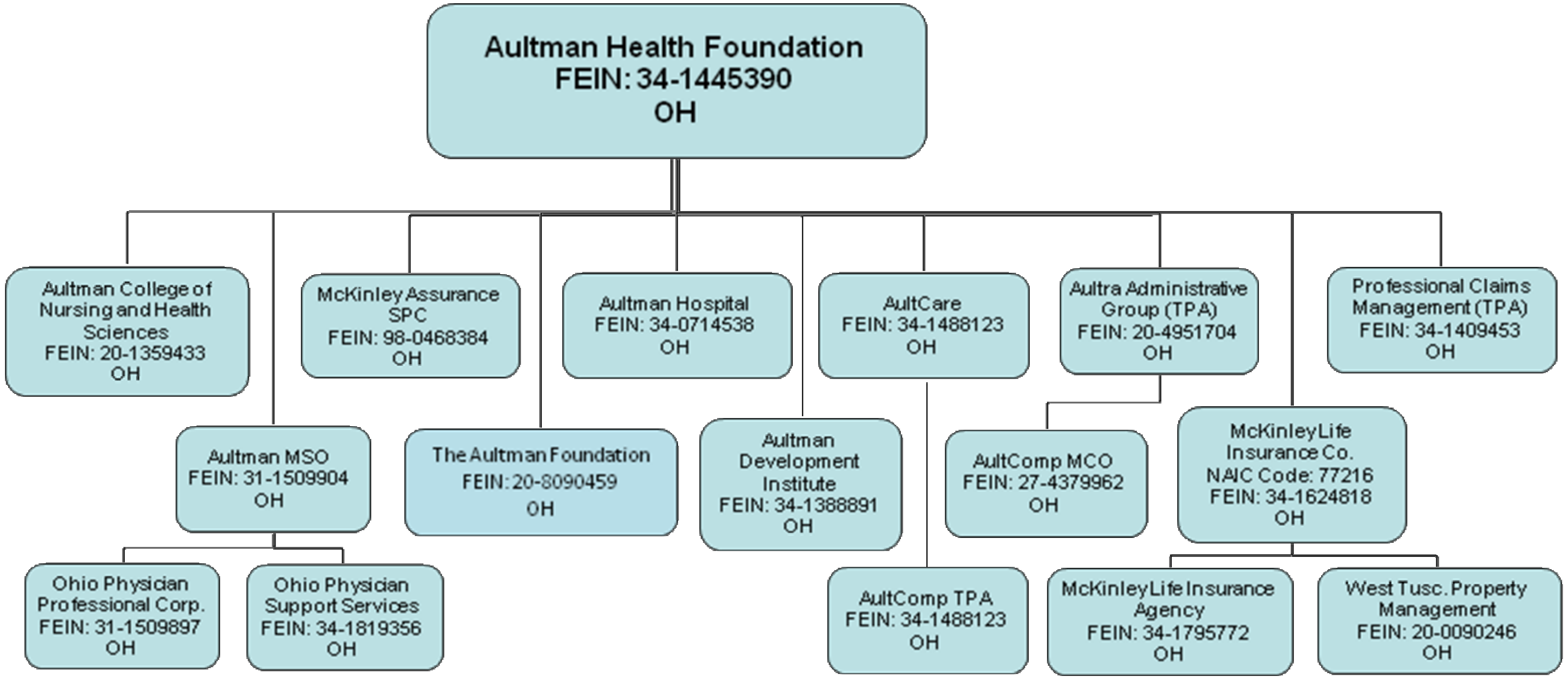
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	RESPONSE
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement

77216201136500002 2011 Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

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 va		
7.	Deduct current year's other than temporary impairment rec		
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 poin		
9.	Total foreign exchange change in book value/recorded inve		
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	15,630,026	17,268,504
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition		
	2.2 Additional investment made after acquisition	3,128,767	2,200,000
3.	Capitalized deferred interest and other		
4.	Accrual of discount		(205,107)
5.	Unrealized valuation increase (decrease)		(3,633,371)
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)	18,758,792	15,630,026
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)	18,758,792	15,630,026

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	71,069,403	66,945,075
2.	Cost of bonds and stocks acquired	6,883,152	14,826,062
3.	Accrual of discount	18,490	37,179
4.	Unrealized valuation increase (decrease)	560,576	1,051,658
5.	Total gain (loss) on disposals	(1,014)	(2,032)
6.	Deduct consideration for bonds and stocks disposed of	4,232,000	11,625,000
7.	Deduct amortization of premium	45,620	163,539
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)	74,252,987	71,069,403
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	74,252,987	71,069,403

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
BONDS								
1. Class 1 (a)	55,687,632	3,340,000	1,016,000	(11,807)	55,687,632	57,999,825		55,531,759
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	55,687,632	3,340,000	1,016,000	(11,807)	55,687,632	57,999,825		55,531,759
PREFERRED STOCK								
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	55,687,632	3,340,000	1,016,000	(11,807)	55,687,632	57,999,825		55,531,759

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

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		X X X			

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

SCHEDULE E - Verification

(Cash Equivalents)

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

E01 Schedule A Part 2 . . . . NONE

E01 Schedule A Part 3 . . . . NONE

E02 Schedule B Part 2 . . . . NONE

E02 Schedule B Part 3 . . . . NONE

SCHEDULE BA - PART 2

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

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
Non-collateral Loans - Affiliated												
	AultCare - Affiliated	Canton	Ohio	McKinley Life Insurance Co.	77216	01/01/2009		5,417,482	3,128,767			
2699999 Subtotal - Non-collateral Loans - Affiliated								5,417,482	3,128,767			XXX
3999999 Total - Unaffiliated												XXX
4099999 Total - Affiliated								5,417,482	3,128,767			XXX
4199999 TOTALS								5,417,482	3,128,767			XXX

SCHEDULE BA - PART 3

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

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9 + 10 - 11 + 12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
4199999 TOTALS																			

NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	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)
Bonds - U.S. Governments									
3136FRFL2	FNMA		04/13/2011	FirstMerit Trust	X X X	1,000,000	1,000,000.00		1
313371U79	FHLB		05/06/2011	FirstMerit Trust	X X X	485,000	500,000.00		1
3133MTZL5	FHLB		05/16/2011	FirstMerit Trust	X X X	1,000,000	1,000,000.00		1
90348JAJ9	UBS BK USA CD		04/06/2011	FirstMerit Trust	X X X	175,000	175,000.00		1
32115UAA6	First Natl Bk Ar CD		04/13/2011	FirstMerit Trust	X X X	240,000	240,000.00		1
712498CF9	Peoples St Bk Wi CD		06/28/2011	FirstMerit Trust	X X X	220,000	220,000.00		1
01864TCN7	All Nat Bk Ga CD		06/28/2011	FirstMerit Trust	X X X	220,000	220,000.00		1
0599999 Subtotal - Bonds - U.S. Governments					X X X	3,340,000	3,355,000.00		X X X
8399997 Subtotal - Bonds - Part 3					X X X	3,340,000	3,355,000.00		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	3,340,000	3,355,000.00		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	3,340,000	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	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	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (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)
Bonds - U.S. Governments																					
31359MJH7	FNMA		05/15/2011	FirstMerit	XXX	600,000	600,000.00	666,703	603,238		(2,878)		(2,878)		600,360		(360)	(360)	18,000	05/15/2011	1
198882GG1	Columbus Bk & Tr CD		05/31/2011	FirstMerit	XXX	246,000	246,000.00	246,000	246,121		(121)		(121)		246,000				1,076	05/31/2011	1
860773UM0	Stillwater Nat Bk CD		06/16/2011	FirstMerit	XXX	170,000	170,000.00	170,000	170,043		(43)		(43)		170,000				975	06/16/2011	1
0599999 Subtotal - Bonds - U.S. Governments					XXX	1,016,000	1,016,000.00	1,082,703	1,019,401		(3,041)		(3,041)		1,016,360		(360)	(360)	20,050	XXX	XXX
8399997 Subtotal - Bonds - Part 4					XXX	1,016,000	1,016,000.00	1,082,703	1,019,401		(3,041)		(3,041)		1,016,360		(360)	(360)	20,050	XXX	XXX
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999 Subtotal - Bonds					XXX	1,016,000	1,016,000.00	1,082,703	1,019,401		(3,041)		(3,041)		1,016,360		(360)	(360)	20,050	XXX	XXX
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9899999 Subtotal - Preferred and Common Stocks					XXX		XXX													XXX	XXX
9999999 Total - Bonds, Preferred and Common Stocks					XXX	1,016,000	XXX	1,082,703	1,019,401		(3,041)		(3,041)		1,016,360		(360)	(360)	20,050	XXX	XXX

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

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 6 First Month	7 Second Month	8 Third Month	9 *
open depositories										
FirstMerit Bank - Trust	Canton, Ohio			0.010	69		2,656,969	2,053,800	2,108,787	XXX
FirstMerit Bank - Brokered CDs	Canton, Ohio			0.010	2		32,531	285,825	25,376	XXX
Huntington National Bank	Canton, Ohio						15,858,478	(2,916,974)	1,225,513	XXX
FirstMerit Bank-ST CDs	Canton, Ohio									XXX
Huntington National Bank	Canton, Ohio						15,534,393	16,337,974	11,337,974	XXX
FirstMerit Bank - PIMCO	Canton, Ohio						5	5	5	XXX
0199998 Deposits in ....0 depositories that do not exceed the allowable limit in any one depository - open depositories			XXX	XXX						XXX
0199999 Totals - Open Depositories			XXX	XXX	71		34,082,376	15,760,630	14,697,655	XXX
0299998 Deposits in ....0 depositories that do not exceed the allowable limit in any one depository - suspended depositories			XXX	XXX						XXX
0299999 Totals - Suspended Depositories			XXX	XXX						XXX
0399999 Total Cash On Deposit			XXX	XXX	71		34,082,376	15,760,630	14,697,655	XXX
0499999 Cash in Company's Office			XXX	XXX	XXX	XXX				XXX
0599999 Total Cash			XXX	XXX	71		34,082,376	15,760,630	14,697,655	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total - Cash Equivalents							

77216201136500102 2011 Document Code: 365

MEDICARE PART D COVERAGE SUPPLEMENT

Net of Reinsurance

NAIC Group Code: 0000 **NAIC Company Code: 77216**

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected		XXX		XXX	
2. Earned Premiums		XXX		XXX	XXX
3. Claims Paid		XXX		XXX	
4. Claims Incurred		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX		XXX		
6. Aggregate Policy Reserves - change		XXX		XXX	XXX
7. Expenses Paid		XXX		XXX	
8. Expenses Incurred		XXX		XXX	XXX
9. Underwriting Gain or Loss		XXX		XXX	XXX
10. Cash Flow Results	XXX	XXX	XXX	XXX	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: $..............0 due from CMS or $..............0 due to CMS

INDEX TO HEALTH QUARTERLY STATEMENT

INDEX TO HEALTH QUARTERLY STATEMENT