



QUARTERLY STATEMENT

As of September 30, 2011
of the Condition and Affairs of the

National Interstate Insurance Company of Hawaii, Inc

NAIC Group Code.....84, 84 (Current Period) (Prior Period)	NAIC Company Code..... 11051	Employer's ID Number..... 99-0345306
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... September 20, 1999	Commenced Business..... July 28, 2000	
Statutory Home Office	3250 Interstate Drive..... Richfield OH 44286 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	3250 Interstate Drive..... Richfield OH 44286 (Street and Number) (City or Town, State and Zip Code)	330-659-8900 (Area Code) (Telephone Number)
Mail Address	3250 Interstate Drive..... Richfield OH 44286 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	3250 Interstate Drive..... Richfield OH 44286 (Street and Number) (City or Town, State and Zip Code)	330-659-8900 (Area Code) (Telephone Number)
Internet Web Site Address	www.nationalinterstate.com	
Statutory Statement Contact	Julie Ann McGraw (Name) julie.mcgraw@nationalinterstate.com (E-Mail Address)	330-659-8900 -1272 (Area Code) (Telephone Number) (Extension) 330-659-8904 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. David Warner Michelson	President	2. Arthur Jeffrey Gonzales	VP, Secretary & General Counsel
3. Julie Ann McGraw	VP, CFO & Treasurer	4. Terry Eugene Phillips	Senior Vice President
OTHER			
Gary Norman Monda	VP, CIO & Assistant Treasurer	John Lloyd Woods	Vice President

DIRECTORS OR TRUSTEES

David Warner Michelson	Alan Robert Spachman	Julie Ann McGraw	Terry Eugene Phillips
Tanya Marie Inama	Arthur Jeffrey Gonzales	Gary Norman Monda	

State of..... Ohio
County of..... Summit

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
David Warner Michelson	Arthur Jeffrey Gonzales	Julie Ann McGraw
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	VP, Secretary & General Counsel	VP, CFO & Treasurer
(Title)	(Title)	(Title)
Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This 31 day of October	b. If no:	1. State the amendment number
		2. Date filed
		3. Number of pages attached

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	29,591,213		29,591,213	21,270,736
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....0), cash equivalents (\$.....0) and short-term investments (\$.....118,528).....	118,528		118,528	289,876
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	29,709,741	.0	29,709,741	21,560,612
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	264,325		264,325	203,098
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,044,228	105,693	938,535	1,333,647
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	6,198,827		6,198,827	3,188,216
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	118,068		118,068	222,664
16.2 Funds held by or deposited with reinsured companies.....	(22,541)		(22,541)	(16,657)
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	589,754	89,793	499,961	264,895
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	1,027,438
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	82,648	7,300	75,348	59,707
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	37,985,051	202,786	37,782,265	27,843,620
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	37,985,051	202,786	37,782,265	27,843,620

DETAILS OF WRITE-INS

1101.			.0	
1102.			.0	
1103.			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Receivable from insured for deductible payments.....	32,685		32,685	36,888
2502. Commission receivable.....	42,664		42,664	22,819
2503. Prepays.....	7,300	7,300	.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	82,648	7,300	75,348	59,707

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....1,896,447).....	7,829,437	3,096,880
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	1,866,335	970,891
4. Commissions payable, contingent commissions and other similar charges.....	231,961	165,704
5. Other expenses (excluding taxes, licenses and fees).....	250,632	281,056
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	116,367	94,741
7.1 Current federal and foreign income taxes (including \$.....2,065 on realized capital gains (losses)).....	463,258	271,667
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 \$.....11,290,769 and including warranty reserves of \$.....0).....	3,462,275	2,210,849
10. Advance premium.....	21,992	19,995
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,439,922	1,369,201
13. Funds held by company under reinsurance treaties.....	8,321,699	6,990,158
14. Amounts withheld or retained by company for account of others.....	312,526	178,787
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	67,425	
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	988,517	154,035
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	25,372,348	15,803,965
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	25,372,348	15,803,965
29. Aggregate write-ins for special surplus funds.....	89,792	36,305
30. Common capital stock.....	3,500,000	3,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	3,141,936	3,141,936
35. Unassigned funds (surplus).....	5,678,189	5,361,415
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	12,409,917	12,039,656
38. Totals.....	37,782,265	27,843,620

DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0
2901. Additional admitted deferred taxes assets - SSAP 10R.....	89,792	36,305
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	89,792	36,305
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$18,282,554).....	15,671,039	11,968,587	16,800,887
1.2 Assumed..... (written \$6,712,687).....	5,444,544	3,509,360	4,763,436
1.3 Ceded..... (written \$18,516,252).....	15,888,033	12,144,594	17,020,540
1.4 Net..... (written \$6,478,989).....	5,227,550	3,333,353	4,543,784
DEDUCTIONS:			
2. Losses incurred (current accident year \$2,902,972):			
2.1 Direct.....	9,519,903	5,357,205	8,960,125
2.2 Assumed.....	2,974,209	1,778,215	2,454,963
2.3 Ceded.....	9,692,032	5,497,396	9,127,650
2.4 Net.....	2,802,081	1,638,024	2,287,439
3. Loss adjustment expenses incurred.....	582,663	328,549	467,600
4. Other underwriting expenses incurred.....	1,655,425	1,164,669	1,498,322
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	5,040,169	3,131,242	4,253,361
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	187,380	202,111	290,423
INVESTMENT INCOME			
9. Net investment income earned.....	563,437	533,430	701,982
10. Net realized capital gains (losses) less capital gains tax of \$2,065.....	3,836	12,922	37,341
11. Net investment gain (loss) (Lines 9 + 10).....	567,272	546,352	739,323
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$0 amount charged off \$0).....	0		
13. Finance and service charges not included in premiums.....	31,665	34,155	46,715
14. Aggregate write-ins for miscellaneous income.....	(92,417)	(71,384)	(99,262)
15. Total other income (Lines 12 through 14).....	(60,752)	(37,229)	(52,547)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	693,900	711,233	977,199
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).....	693,900	711,233	977,199
19. Federal and foreign income taxes incurred.....	461,193	211,207	251,560
20. Net income (Line 18 minus Line 19) (to Line 22).....	232,708	500,026	725,639
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	12,039,656	11,294,828	11,294,828
22. Net income (from Line 20).....	232,708	500,026	725,639
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	288,554	40,688	34,624
27. Change in nonadmitted assets.....	(137,062)	6,975	(20,105)
28. Change in provision for reinsurance.....	(67,425)	(42,909)	
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.....		500,000	500,000
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....		(500,000)	(500,000)
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	53,487	2,738	4,670
38. Change in surplus as regards policyholders (Lines 22 through 37).....	370,261	507,518	744,828
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	12,409,917	11,802,346	12,039,656
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Roadside assistance fees.....	12,733	13,516	16,367
1402. Interest from funds held.....	(105,150)	(84,900)	(115,629)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(92,417)	(71,384)	(99,262)
3701. Change in nonadmitted assets - additional admitted deferred taxes assets - SSAP 10R.....	53,487	2,738	4,670
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	53,487	2,738	4,670

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.....	3,878,527	1,951,466	4,190,442
2. Net investment income.....	637,847	655,672	862,455
3. Miscellaneous income.....	(60,752)	(37,229)	(52,547)
4. Total (Lines 1 through 3).....	4,455,621	2,569,909	5,000,350
5. Benefit and loss related payments.....	(2,040,955)	1,442,283	1,992,708
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,285,186	1,301,739	1,715,611
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....2,065 tax on capital gains (losses).....	271,667	346,297	346,297
10. Total (Lines 5 through 9).....	(484,102)	3,090,319	4,054,617
11. Net cash from operations (Line 4 minus Line 10).....	4,939,723	(520,410)	945,733
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	7,864,632	13,430,000	16,266,999
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.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	7,864,632	13,430,000	16,266,999
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	16,314,845	12,538,356	15,982,984
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	16,314,845	12,538,356	15,982,984
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(8,450,213)	891,644	284,015
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	3,339,142	863,998	(1,356,932)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	3,339,142	863,998	(1,356,932)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(171,348)	1,235,232	(127,185)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	289,876	417,061	417,061
19.2 End of period (Line 18 plus Line 19.1).....	118,528	1,652,293	289,876

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

20.0001			
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. The accompanying financial statements of National Interstate Insurance Company of Hawaii (Company) have been prepared on the basis of accounting practices prescribed or permitted by the State of Ohio Department of Insurance. The Ohio Department of Insurance requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting *Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio Department of Insurance. There are no deviations prescribed or permitted by the Ohio Department of Insurance utilized in the Company's financial statements.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

- D. Loan-Backed Securities
1. The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
 2. The Company does not have any loan-backed securities with an other-than-temporary impairment for which it has the intent to sell or the inability or lack of intent to retain the investment in the security.
 3. The Company does not have any loan-backed securities with an other-than-temporary ("OTTI") impairment recognized in 2011.
 4. The Company does not have any loan-backed securities with an unrealized loss at September 30, 2011.
 5. The Company does not have any loan-backed securities with an unrealized loss at September 30, 2011.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

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

No significant change.

Note 11 - Debt

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

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

No significant change.

Note 14 - Contingencies

E. Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

Note 15 - Leases

No significant change.

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

No significant change.

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

C. Wash Sales.

Not Applicable.

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

No significant change.

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

No significant change.

Note 20 - Fair Value

This footnote is not applicable to NIHI as the Company does not carry any securities at fair value at 09/30/2011.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2010 were \$4,067,771. As of September 30, 2011, \$2,265,468 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$7,296,725. The increase in outstanding losses and LAE as compared to prior year is a result of the Company and affiliates entering into an inter-company pooling arrangement with Vanliner Insurance Company effective January 1, 2011. The impact to prior year reserves was an increase of \$5,712,435 for assuming the initial reserves effective with the implementation of the new pooling agreement. There has been \$218,013 favorable prior year development since December 31, 2010. The increase in incurred claims and claims adjustment expenses are generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

Effective January 1, 2011, the Company entered into an amended pooling agreement with its parent, National Interstate Insurance Company (NIIC) and NIIC’s two insurance subsidiaries, Triumphe Casualty Company (TCC) and Vanliner Insurance Company (VIC). The following summarizes the participation percentages:

Name of Insurer	NAIC Code	% Participation
Triumphe Casualty Company	41106	2%
National Interstate Insurance Company of Hawaii	11051	2%
Vanliner Insurance Company	21172	26%
National Interstate Insurance Company (Lead)	32620	70%

Prior to the pooling of business, each participating company makes cessions, primarily excess of loss arrangements, to various other affiliated and non-affiliated reinsurers under terms of other reinsurance agreements. Each participant records its own Provision for Reinsurance based on its pre-pooling reinsurance activity. These liabilities are not shared with the other pooled participants. In the event that a reinsurance balance becomes uncollectible, the uncollectible balance will be shared by the pooled members in accordance to the pooling participation schedule. As of September 30, 2011 the Company had a \$1.2 million payable due to NIIC, the lead company. NIIC held \$7.4 million in Funds Held payable for TCC and had a \$7.3 million payable due to VIC.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - High Deductibles

No significant change.

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

No significant change.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 35 - Multiple Peril Crop Insurance

No significant change.

Note 36 - Financial Guaranty Insurance

B. Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

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

Yes ☒No ☐

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 ☒

2.2

If yes, date of change:

.....

3.

Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y-Part 1 - Organizational chart.

Yes ☐No ☒

4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐No ☒

4.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes ☐No ☒N/A ☐

6.1

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

12/31/2010.....

6.2

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

12/31/2010.....

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).

10/18/2011.....

6.4

By what department or departments?
State of Ohio Department of Insurance

6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐No ☐N/A ☒

6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒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 ☒

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 ☒

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 ☒

8.4

If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes ☒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 ☒

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 ☒

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]

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

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.0

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

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End	Current Quarter
	Book/Adjusted Carrying Value	Book/Adjusted Carrying Value
14.21 Bonds.....	\$0	\$0
14.22 Preferred Stock.....	\$0	\$0
14.23 Common Stock.....	\$0	\$0
14.24 Short-Term Investments.....	\$0	\$0
14.25 Mortgage Loans on Real Estate.....	\$0	\$0
14.26 All Other.....	\$0	\$0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0	\$0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$0	\$0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.

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

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

1	2
Name of Custodian(s)	Custodian Address
First Hawaiian Bank	PO Box 3708, Honolulu, HI
Key Bank	PO Box 6717, Cleveland OH

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

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

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

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

1	2	3
Central Registration Depository	Name(s)	Address

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

17.2 If no, list exceptions:

National Interstate Insurance Company of Hawaii, Inc
GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1.

If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation.
Effective January 1, 2011, the pooling agreement was amended and restated to include Vanliner Insurance Company. The Company's participation percentage remains the same.

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

2.

Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation.

Yes [] No [X]

3.1

Have any of the reporting entity's primary reinsurance contracts been canceled?

Yes [] No [X]

3.2

If yes, give full and complete information thereto:

4.1

Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero?

Yes [] No [X]

4.2

If yes, complete the following schedule:

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

5.

Operating Percentages:

5.1

A&H loss percent

57.1 %

5.2

A&H cost containment percent

14.3 %

5.3

A&H expense percent excluding cost containment expenses

42.9 %

6.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]

6.2

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

0

6.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]

6.4

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

0

National Interstate Insurance Company of Hawaii, Inc
SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)
All Other Insurers				
00000.....	AA-3194130.....	Endurance Specialty Ins Ltd.....	BM.....	NO.....
00000.....	AA-1127400.....	Lloyd's of London Syndicate #1400.....	GB.....	YES.....
00000.....	AA-3194129.....	Montpelier Reins Ltd.....	BM.....	NO.....

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

		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
States, Etc.								
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	L	1,806,448	1,245,858	292,213	302,502	1,061,693	623,233
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	L	3,159,627	3,603,968	1,172,370	691,499	2,585,535	2,151,493
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	L	13,316,479	10,369,742	5,206,063	3,275,637	13,748,727	10,560,940
32.	New Mexico.....NM	N						
33.	New York.....NY	N						
34.	North Carolina.....NC	N						
35.	North Dakota.....ND	N						
36.	Ohio.....OH	L						
37.	Oklahoma.....OK	N						
38.	Oregon.....OR	N						
39.	Pennsylvania.....PA	N						
40.	Rhode Island.....RI	N						
41.	South Carolina.....SC	N						
42.	South Dakota.....SD	N						
43.	Tennessee.....TN	N						
44.	Texas.....TX	N						
45.	Utah.....UT	N						
46.	Vermont.....VT	N						
47.	Virginia.....VA	N						
48.	Washington.....WA	N						
49.	West Virginia.....WV	N						
50.	Wisconsin.....WI	N						
51.	Wyoming.....WY	N						
52.	American Samoa.....AS	N						
53.	Guam.....GU	N						
54.	Puerto Rico.....PR	N						
55.	US Virgin Islands.....VI	N						
56.	Northern Mariana Islands.....MP	N						
57.	Canada.....CN	N						
58.	Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59.	Totals.....	(a).....4	18,282,554	15,219,568	6,670,646	4,269,638	17,395,954	13,335,666

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

NONE

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....	19,915	5,100	25.6	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	105,714	70,842	67.0	(226.3)
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....	80	18	22.5	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....	3,400,016	2,006,376	59.0	49.4
17.1. Other liability-occurrence.....	716,605	215,723	30.1	7.0
17.2. Other liability-claims made.....	192,498	31,959	16.6	22.4
17.3. Excess workers' compensation.....			0.0	
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2. Private passenger auto liability.....	550,402	369,155	67.1	34.6
19.3, 19.4. Commercial auto liability.....	7,273,657	4,239,656	58.3	41.9
21. Auto physical damage.....	3,411,727	2,581,076	75.7	58.8
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....	424		0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	15,671,039	9,519,903	60.7	44.8
DETAILS OF WRITE-INS				
3401.			0.0	
3402.			0.0	
3403.			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....	23,264	61,328	
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	31,509	115,476	(111,425)
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....	150	300	
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....	2,399,085	4,730,853	2,526,722
17.1. Other liability-occurrence.....	391,143	1,014,651	519,581
17.2. Other liability-claims made.....		62,344	315,638
17.3. Excess workers' compensation.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1 19.2. Private passenger auto liability.....	173,018	573,635	619,206
19.3 19.4. Commercial auto liability.....	3,025,423	8,104,866	7,958,741
21. Auto physical damage.....	1,275,468	3,618,146	3,391,105
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....	251	954	
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	7,319,311	18,282,554	15,219,568
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

National Interstate Insurance Company of Hawaii, Inc

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.
2.
3.
4.

Bar Code:



National Interstate Insurance Company of Hawaii, Inc
Overflow Page for Write-Ins

NONE

National Interstate Insurance Company of Hawaii, Inc
SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
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 end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	21,270,736	21,626,131
2. Cost of bonds and stocks acquired.....	16,314,845	15,982,984
3. Accrual of discount.....	7,675	10,739
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	5,901	57,448
6. Deduct consideration for bonds and stocks disposed of.....	7,864,632	16,266,999
7. Deduct amortization of premium.....	143,312	139,567
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).....	29,591,213	21,270,736
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	29,591,213	21,270,736

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

QSI02

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	28,748,621	4,481,054	3,841,622	(54,794)	21,966,827	28,748,621	29,333,258	21,101,971
2. Class 2 (a).....	376,907			(424)	456,643	376,907	376,483	458,642
3. Class 3 (a).....								
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	29,125,527	4,481,054	3,841,622	(55,218)	22,423,471	29,125,527	29,709,741	21,560,612
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	29,125,527	4,481,054	3,841,622	(55,218)	22,423,471	29,125,527	29,709,741	21,560,612

(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.....	118,528	XXX.....	118,528	15	.....

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.....	289,876	417,061
2. Cost of short-term investments acquired.....	3,203,454	5,969,372
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	3,374,802	6,093,736
7. Deduct amortization of premium.....		2,822
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).....	118,528	289,876
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	118,528	289,876

Sch. DB-Pt A-Verification

NONE

Sch. DB-Pt B-Verification

NONE

Sch. DB-Pt C-Sn 1

NONE

Sch. DB-Pt C-Sn 2

NONE

Sch. DB-Verification

NONE

Sch. E-Verification

NONE

Sch. A-Pt 2

NONE

Sch. A-Pt 3

NONE

Sch. B-Pt 2

NONE

Sch. B-Pt 3

NONE

Sch. BA-Pt 2

NONE

Sch. BA-Pt 3

NONE

SCHEDULE D - PART 3

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

1	2							3	4	5			6	7	8	9	10
CUSIP Identification	Description							Foreign	Date Acquired	Name of Vendor			Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																	
31331J	AW	3	FEDERAL FARM CREDIT BANK	AGENCY	4.150	JJ	01/07/2019		...08/26/2011	BNY MELLON CAPITAL				24,933	22,000	124	1.....
31331Y	HQ	6	FEDERAL FARM CREDIT BANK	AGENCY	4.625	JD	12/15/2017		...08/29/2011	MORGAN STANLEY				67,712	58,000	559	1.....
313370	SZ	2	FEDERAL HOME LOAN BANK	AGENCY	2.250	MS	09/08/2017		...09/26/2011	CLARKE (G.X.) & CO				77,591	75,000	89	1.....
3133XE	UG	2	FEDERAL HOME LOAN BANK	AGENCY	4.875	MS	03/11/2016		...09/26/2011	CLARKE (G.X.) & CO				317,354	273,000	592	1.....
3133XP	CT	9	FEDERAL HOME LOAN BANK	AGENCY	4.250	MS	03/09/2018		...09/29/2011	CLARKE (G.X.) & CO				557,477	488,000	1,152	1.....
88059F	AZ	4	TENN VALLEY AUTH	AGENCY	0.000	JD	12/15/2017		...09/27/2011	WELLS FARGO				15,914	18,000		1.....
0599999.		Total - Bonds - U.S. Government												1,060,980	934,000	2,516	XXX
Bonds - U.S. Special Revenue and Special Assessment																	
3136A0	DT	1	FANNIE MAE	CMO	3.500	MTH	12/01/2019		...07/25/2011	CANTOR				30,558	30,000	82	1.....
31397U	RJ	0	FANNIE MAE	CMO	3.500	MTH	02/01/2022		...07/22/2011	ANCORA ADVISORS LLC				338,938	328,319	830	1.....
38373A	D9	4	GOVT NATIONAL MORTGAGE ASSOC	CMO	4.000	MTH	03/01/2028		...08/18/2011	CANTOR				493,963	469,672	1,148	1.....
38377K	FN	5	GOVT NATIONAL MORT ASSOC	CMO	3.500	MTH	01/01/2018		...09/19/2011	ANCORA ADVISORS LLC				1,735,475	1,645,000	3,359	1.....
3199999.		Total - Bonds - U.S. Special Revenue & Special Assessments												2,598,934	2,472,991	5,418	XXX
Bonds - Industrial and Miscellaneous																	
17275R	AH	5	CISCO SYSTEMS INC	CORPORATE	4.450	JJ	01/15/2020		...07/27/2011	CANTOR				660,604	620,000	1,073	1FE.....
3899999.		Total - Bonds - Industrial & Miscellaneous												660,604	620,000	1,073	XXX
8399997.		Total - Bonds - Part 3												4,320,517	4,026,991	9,007	XXX
8399999.		Total - Bonds												4,320,517	4,026,991	9,007	XXX
9999999.		Total - Bonds, Preferred and Common Stocks												4,320,517	XXX	9,007	XXX

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

SCHEDULE D - PART 4

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

1	2		3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
											11	12	13	14	15							
CUSIP Identification	Description		F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)

Bonds - U.S. Government

31331J	A3	7	FEDERAL FARM CREDIT BANK	AGENCY.....		09/01/2011	CALL at 100.000.....		250,000	250,000	250,000	250,000			0		250,000			0	4,913	06/07/2018	1.....	
3134G1	LJ	1	FREDDIE MAC	AGENCY.....	.....	07/14/2011	CALL at 100.000.....	.....	.....240,000	240,000	240,435	.....	.....(405)	(405)	.....	.....240,000	.....	.....	.....0	1,350	01/14/2013	1.....		
3136FP	EQ	6	FANNIE MAE	AGENCY.....	.....	09/09/2011	CALL at 100.000.....	.....	.....1,340,000	1,340,000	1,340,331	.....	.....(331)	(331)	.....	.....1,340,000	.....	.....	.....0	12,395	09/09/2015	1.....		
0599999.	Total - Bonds - U.S. Government.....									1,830,000	1,830,000	1,830,766	250,000	0	(735)	0	(735)	0	1,830,000	0	0	0	18,658	XXX...XXX..

Bonds - U.S. Political Subdivisions of States, Territories and Possessions

810453	L4	0	SCOTTSDALE ARIZ	MUNICIPAL.....	.....	07/01/2011	MATURITY.....	.....	.....390,000	390,000	390,997	.....	.....(997)	.....	.....(997)	390,000	.....	.....	.....0	9,750	07/01/2011	1FE.....
2499999.	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions.....							.....	.....390,000	390,000	390,997	0	0	(997)	0	390,000	0	0	0	9,750	XXX...	..XXX....

Bonds - U.S. Special Revenue and Special Assessment

3136A0	DT	1	FANNIE MAE	CMO.....	.....	09/25/2011	MBS PAYDOWN.....	.....	.....143	143	145	.....	.....	.....0	.....	.....143	.....	.....	.....0	1	12/01/2019	1.....
3137A2	PF	2	FREDDIE MAC	CMO.....	.....	09/15/2011	MBS PAYDOWN.....	.....	.....59,714	59,714	60,498	59,856	(143)	(143)	.....	.....59,714	.....	.....	.....0	1,177	10/01/2020	1.....
3137A6	DT	6	FREDDIE MAC	CMO.....	.....	09/15/2011	MBS PAYDOWN.....	.....	.....27,543	27,543	28,550	.....	.....(141)	(141)	.....	.....27,543	.....	.....	.....0	557	03/01/2021	1.....
3137A9	VR	4	FREDDIE MAC	CMO.....	.....	09/15/2011	MBS PAYDOWN.....	.....	.....2,827	2,827	2,959	.....	.....(2)	(2)	.....	.....2,827	.....	.....	.....0	21	01/01/2021	1.....
31397U	RJ	0	FANNIE MAE	CMO.....	.....	09/25/2011	MBS PAYDOWN.....	.....	.....3,378	3,378	3,487	.....	.....(1)	(1)	.....	.....3,378	.....	.....	.....0	15	02/01/2022	1.....
31398F	JG	7	FANNIE MAE	CMO.....	.....	09/25/2011	MBS PAYDOWN.....	.....	.....33,221	33,221	34,788	33,477	(256)	(256)	.....	.....33,221	.....	.....	.....0	902	11/01/2017	1.....
38373A	D9	4	GOVT NATIONAL MORTGAGE ASSOC	CMO.....	.....	09/20/2011	MBS PAYDOWN.....	.....	.....9,460	9,460	9,949	.....	.....	.....0	.....	.....9,460	.....	.....	.....0	32	03/01/2028	1.....
644616	AT	1	NEW HAMPSHIRE HIGHER ED REV	TAX ARS.....	.....	09/06/2011	CALL at 100.000.....	.....	.....200,000	200,000	200,000	200,000	.....	.....0	.....	.....200,000	.....	.....	.....0	1,531	12/14/2040	1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Assessment.....							.....	.....336,284	336,284	340,376	293,333	0	(543)	0	336,284	0	0	0	4,236	XXX...	..XXX....
8399997.	Total - Bonds - Part 4.....							.....	.....2,556,284	2,556,284	2,562,139	543,333	0	(2,275)	0	2,556,284	0	0	0	32,644	XXX...	..XXX....
8399999.	Total - Bonds.....							.....	.....2,556,284	2,556,284	2,562,139	543,333	0	(2,275)	0	2,556,284	0	0	0	32,644	XXX...	..XXX....
9999999.	Total - Bonds, Preferred and Common Stocks.....							.....	.....2,556,284	XXX.....	2,562,139	543,333	0	(2,275)	0	2,556,284	0	0	0	32,644	XXX...	..XXX....

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

QE05

Sch. DB-Pt A-Sn 1

NONE

Sch. DB-Pt A-Sn 1-Footernote

NONE

Sch. DB-Pt B-Sn 1

NONE

Sch. DB-Pt B-Sn 1-Footernote

NONE

Sch. DB-Pt B-Sn 1B-Broker List

NONE

Sch. DB-Pt D

NONE

Sch. DL-Pt. 1

NONE

Sch. DL-Pt. 2

NONE

Sch. E-Pt 1-Cash

NONE

Sch. E-Pt 2-Cash Equivalents

NONE