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HEALTH QUARTERLY STATEMENT

As of September 30, 2011

of the Condition and Affairs of the

Molina Healthcare of Ohio, Inc.

NAIC Group Code.....1531, 1531 (Current Period) (Prior Period) | NAIC Company Code..... 12334 | Employer's ID Number..... 20-0750134

Organized under the Laws of OH | State of Domicile or Port of Entry OH | Country of Domicile US

Licensed as Business Type Health Maintenance Organization | Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized..... November 19, 2003 | Commenced Business..... October 24, 2005

Statutory Home Office	8101 North High Street, Suite 180….. Columbus ..... OH ..... 43235 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	8101 North High Street, Suite 180….. Columbus ..... OH ..... 43235 *(Street and Number) (City or Town, State and Zip Code)*	614-781-4300 *(Area Code) (Telephone Number)*
Mail Address	8101 North High Street, Suite 180….. Columbus ..... OH ..... 43235 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	8101 North High Street, Suite 180….. Columbus ..... OH ..... 43235 *(Street and Number) (City or Town, State and Zip Code)*	614-781-4300 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.molinahealthcare.com	
Statutory Statement Contact	Matthew Carter Schueren *(Name)*	614-781-4300 *(Area Code) (Telephone Number) (Extension)*
	matthew.schueren@molinahealthcare.com *(E-Mail Address)*	614-781-1410 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Amy Schultz Clubbs #	President	2. Benjamin Sargent Orris #	Treasurer/VP
3. Jeffrey Don Barlow	Secretary	4.	

OTHER

DIRECTORS OR TRUSTEES

Amy Schultz Clubbs # | Teri Daly Lauenstein # | James Dwight Forshee MD

State of........ Ohio
County of..... Franklin

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)
Amy Schultz Clubbs	Benjamin Sargent Orris	Jeffrey Don Barlow
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Treasurer/VP	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This ______ day of ______________

a. Is this an original filing? Yes [X] No [ ]

b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	63,347,054		63,347,054	64,410,108
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 $..........0 encumbrances)			0	
5. Cash ($.....(11,566,289)), cash equivalents ($.....29,797,401) and short-term investments ($.....58,202,499)	76,433,612		76,433,612	104,543,746
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)	139,780,666	0	139,780,666	168,953,854
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	570,655		570,655	810,441
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	15,340,307		15,340,307	8,082,533
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums	6,209		6,209	
16. Reinsurance:				
161. Amounts recoverable from reinsurers	175,426		175,426	483,606
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	114,385		114,385	
18.1 Current federal and foreign income tax recoverable and interest thereon	2,437,317		2,437,317	
18.2 Net deferred tax asset	1,025,701	9,576	1,016,125	854,306
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	8,495		8,495	15,466
21. Furniture and equipment, including health care delivery assets ($..........0)	493,828	493,828	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	
24. Health care ($.....12,145,237) and other amounts receivable	12,145,237		12,145,237	13,057,180
25. Aggregate write-ins for other than invested assets	323,872	323,872	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	172,422,098	827,276	171,594,822	192,257,386
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	172,422,098	827,276	171,594,822	192,257,386

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. Prepaid Expenses	323,872	323,872	0	
2502.			0	
2503.			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)	323,872	323,872	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $..........0 reinsurance ceded)	48,332,203		48,332,203	61,013,754
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses	943,667		943,667	1,006,487
4. Aggregate health policy reserves			0	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	17,843		17,843	
9. General expenses due or accrued	15,179,842		15,179,842	15,638,183
10.1 Current federal and foreign income tax payable and interest thereon (including $..........0 on realized gains (losses))			0	5,444,742
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	
13. Remittances and items not allocated			0	
14. Borrowed money (including $..........0 current) and interest thereon $..........0 (including $..........0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	664,886		664,886	205,167
16. Derivatives			0	
17. Payable for securities			0	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties with ($..........0 authorized reinsurers and $..........0 unauthorized reinsurers)			0	
20. Reinsurance in unauthorized companies			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	
22. Liability for amounts held under uninsured plans			0	
23. Aggregate write-ins for other liabilities (including $..........0 current)	2,431,702	0	2,431,702	10,010,417
24. Total liabilities (Lines 1 to 23)	67,570,143	0	67,570,143	93,318,750
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	1,500	1,500
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	53,888,500	82,888,500
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	50,134,679	16,048,636
32. Less treasury stock, at cost:				
32.1 .....0.000 shares common (value included in Line 26 $..........0)	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 $..........0)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	104,024,679	98,938,636
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	171,594,822	192,257,386

DETAILS OF WRITE-INS

	1 Covered	2 Uncovered	3 Total	4 Total
2301. Amounts Due to State	2,431,702		2,431,702	10,010,417
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	2,431,702	0	2,431,702	10,010,417
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.				
3002.				
3003.				
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date 1 Uncovered	Current Year To Date 2 Total	Prior Year To Date 3 Total	Prior Year Ended December 31 4 Total
1. Member months	XXX	2,217,691	2,082,643	2,816,880
2. Net premium income (including $..........0 non-health premium income)	XXX	688,817,576	639,934,360	865,962,971
3. Change in unearned premium reserves and reserve for rate credits	XXX			
4. Fee-for-service (net of $..........0 medical expenses)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	2,180,420	0	(8,014,660)
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	690,997,996	639,934,360	857,948,311
Hospital and Medical:				
9. Hospital/medical benefits		397,488,950	378,420,850	500,214,369
10. Other professional services		64,446,630	62,966,463	83,307,527
11. Outside referrals				
12. Emergency room and out-of-area		54,315,888	51,586,125	67,759,027
13. Prescription drugs		2,323,553	12,423,705	13,079,801
14. Aggregate write-ins for other hospital and medical	0	2,806,360	2,274,477	3,163,173
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)	0	521,381,381	507,671,620	667,523,897
Less:				
17. Net reinsurance recoveries		1,411,644	2,220,655	3,092,464
18. Total hospital and medical (Lines 16 minus 17)	0	519,969,737	505,450,965	664,431,433
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....14,546,351 cost containment expenses		17,691,415	17,393,426	21,588,156
21. General administrative expenses		102,464,943	90,081,757	121,828,258
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)	0	640,126,095	612,926,148	807,847,847
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	50,871,901	27,008,212	50,100,464
25. Net investment income earned		820,686	647,913	941,103
26. Net realized capital gains (losses) less capital gains tax of $..........0		94,532	(1,954)	(2,162)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	915,218	645,959	938,941
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	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	51,787,119	27,654,171	51,039,405
31. Federal and foreign income taxes incurred	XXX	17,924,794	4,438,614	13,117,472
32. Net income (loss) (Lines 30 minus 31)	XXX	33,862,325	23,215,557	37,921,933

DETAILS OF WRITE-INS

0601. Performance Revenue	XXX	2,180,420		(8,014,660)
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	2,180,420	0	(8,014,660)
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401. Transportation Costs		2,806,360	2,274,477	3,163,173
1402. Healtcare Savings fees				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	2,806,360	2,274,477	3,163,173
2901. Regulatory Fees & Penalties				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year	98,938,636	73,595,561	73,595,561
34. Net income or (loss) from Line 32	33,862,325	23,215,557	37,921,933
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	110,412		(110,412)
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	(249,027)	(5,478,746)	(5,127,924)
39. Change in nonadmitted assets	362,333	660,914	659,478
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			(8,000,000)
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders	(29,000,000)		
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	5,086,043	18,397,725	25,343,075
49. Capital and surplus end of reporting period (Line 33 plus 48)	104,024,679	91,993,286	98,938,636

DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

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	681,571,436	558,834,607	784,260,335
2. Net investment income	2,124,965	785,189	974,380
3. Miscellaneous income	2,180,420		(8,014,660)
4. Total (Lines 1 through 3)	685,876,821	559,619,796	777,220,055
5. Benefit and loss related payments	532,343,108	506,656,250	662,479,123
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	128,370,619	91,355,132	124,259,412
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $..........0 tax on capital gains (losses)	25,806,853	4,598,846	5,824,782
10. Total (Lines 5 through 9)	686,520,580	602,610,228	792,563,317
11. Net cash from operations (Line 4 minus Line 10)	(643,759)	(42,990,432)	(15,343,262)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	19,926,074	5,195,000	7,245,000
12.2 Stocks	5,098,016		
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			(208)
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	25,024,090	5,195,000	7,244,792
13. Cost of investments acquired (long-term only):			
13.1 Bonds	19,832,980	18,213,595	39,116,754
13.2 Stocks	5,098,016		
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)	24,930,996	18,213,595	39,116,754
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)	93,094	(13,018,595)	(31,871,962)
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			(8,000,000)
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders	29,000,000		
16.6 Other cash provided (applied)	1,440,531	10,210,882	11,708,826
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(27,559,469)	10,210,882	3,708,826
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)	(28,110,133)	(45,798,145)	(43,506,398)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	104,543,745	148,050,143	148,050,143
19.2 End of period (Line 18 plus Line 19.1)	76,433,612	102,251,998	104,543,745

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

20.0001			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	244,942							54	244,888	
2. First Quarter	247,408							127	247,281	
3. Second Quarter	245,319							141	245,178	
4. Third Quarter	255,796							144	255,652	
5. Current Year	0									
6. Current Year Member Months	2,217,691							1,211	2,216,480	
Total Member Ambulatory Encounters for Period:										
7. Physician	1,161,515							1,192	1,160,323	
8. Non-Physician	1,286,223							1,122	1,285,101	
9. Total	2,447,738	0	0	0	0	0	0	2,314	2,445,424	0
10. Hospital Patient Days Incurred	114,905							279	114,626	
11. Number of Inpatient Admissions	28,147							41	28,106	
12. Health Premiums Written (a)	693,829,032							1,304,585	692,524,447	
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	693,829,032							1,304,585	692,524,447	
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	546,223,268							730,730	545,492,538	
18. Amount Incurred for Provision of Health Care Services	521,381,381							1,291,254	520,090,127	

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....1,304,585.

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
Claims Unpaid (Reported)						
0399999. Aggregate Accounts Not Individually Listed-Covered	2,092,503					2,092,503
0499999. Subtotals	2,092,503	0	0	0	0	2,092,503
0599999. Unreported Claims and Other Claim Reserves						46,239,700
0799999. Total Claims Unpaid						48,332,203

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
Line of Business	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)					0	
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan					0	
6. Title XVIII - Medicare	59,243	671,487	3,351	296,179	62,594	113,597
7. Title XIX - Medicaid	51,563,318	493,909,220	141,917	47,890,756	51,705,235	60,900,156
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	51,622,561	494,580,707	145,268	48,186,935	51,767,829	61,013,753
10. Healthcare receivables (a)	13,372,524	1,236,218		12,315,763	13,372,524	13,372,524
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9-10+11+12)	38,250,037	493,344,489	145,268	35,871,172	38,395,305	47,641,229

(a) Excludes $..........0 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Molina Healthcare of Ohio, Inc. (the "Company") are presented on the basis of accounting practices prescribed or permitted by the state of Ohio Department of Insurance ("ODI"). The ODI recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio.

Note 2 - Accounting Changes and Corrections of Errors

During the preparation of the third quarter financial statements, the Company discovered that statutory reports for prior periods did not reflect the ODI opinion issued in February 2006 on accounting for the capitation arrangement between the Company and PFK. To conform to the recommendation by the ODI, in the quarterly financial statement for the period ended September 30, 2011, the Company unrecognized the $8.2 million capitation liability owed to PFK and the related accrued interest of $489,564. Additionally, the Company unrecognized the related PFK escrow account of $ 8.7 million. In prior periods the amount due to PFK was included in unpaid claims (Liabilities, Capital and Surplus, Line 1), the accrued interest was included in general expenses due or accrued (Liabilities, Capital and Surplus, Line 9), and the PFK escrow account was included in cash (Assets, Line 5). There is no impact on net income or surplus relating to this 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),(4),(5) As of September 30, 2011, $7.8 million of the Company's long-term investments consisted of auction rate securities. As of September 30, 2011, these securities had a fair value of $6.8 million, for a total of $1.0 million in unrealized losses. These securities have been in a continuous loss position for more than 12 months.
Due to events in the credit markets, these auction rate securities experienced failed auctions beginning in the first quarter of 2008. As such, quoted prices in active markets were not readily available during the majority of 2008, all of 2009 and 2010, and continued to be unavailable as of September 30, 2011. To estimate the fair value of these securities, the Company used pricing models that included factors such as the collateral underlying the securities, the creditworthiness of the counterparty, the timing of expected future cash flows, and the expectation of the next time the security would have a successful auction. The estimated values of these securities were also compared, when possible, to valuation data with respect to similar securities held by other parties. Prepayment assumptions using a prospective approach were obtained from broker-dealer survey values or internal estimates. The Company concluded that these estimates, given the lack of market available pricing, provided a reasonable basis for determining fair value of the auction rate securities as of September 30, 2011.

The Company attributes the decline in market value of these loan-backed securities to liquidity issues, as a result of the failed auction market, rather than to credit issues. Because the decline in market value is not due to the credit quality of the issuers, and because the Company does not intend to sell, nor is it more likely than not that the Company will be required to sell, these investments before recovery of their cost, the Company does not consider the auction rate securities that are designated as available-for-sale to be other-than-temporarily impaired 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

A. (1) The Company's net deferred tax asset (all ordinary) is reflected on the following schedule:

	09/30/2011	12/31/2010
Total of all deferred tax assets	1,245,543	1,654,993
Statutory valuation allowance	-	-
Adjusted gross deferred tax assets	1,245,543	1,654,993

NOTES TO FINANCIAL STATEMENTS

Total of all deferred tax Liabilities	(219,842)	(380,268)
Net deferred tax assets/(liability) before admissibility test	1,025,701	1,274,725
Admitted Pursuant to par. 10.a.	1, 016,125	854,306
Par. 10.b.i.	-	-
Par. 10.b.ii.	9,449,173	9,105,159
Admitted pursuant to par. 10.b. (lessor of i. or ii)	-	-
Admitted pursuant to Par. 10.c.	219,842	380,268
Additional admitted pursuant to par. 10.e.i.	n/a	n/a
Admitted deferred tax asset	1,235,967	1,234,574
Deferred tax Liability	(219,842)	(380,268)
Net admitted DTA or DTL	1,016,125	854,306
Total deferred tax assets non-admitted	9,576	420,419

(2) The Company has not elected to admit DTAs pursuant to Paragraph 10.e.

(3) n/a

(4) n/a

B. All deferred federal tax liabilities were recognized as an offset to deferred tax assets.

C. Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components:

	09/30/2011	12/31/2010
Current income Tax Expense (Benefit)	17,915,443	13,106,570
Tax on Capital Gains	-	(757)
Prior year underaccrual (overaccrual)	9,351	11,659
Federal income Tax expense (Benefit)	17,924,794	13,117,472

The Tax effects of temporary differences that give rise to significant portions of the deferred tax asset and liabilities are as follows:

	09/30/2011	12/31/2010	Change	Character
Deferred tax assets:				
Discounting of unpaid losses	329,161	343,269	(14,108)	Ordinary
Unearned premium reserve	9,584	-	9,584	Ordinary
Fixed assets	188,384	215,158	(26,774)	Ordinary
Compensation and benefits accrual	149,259	107,397	41,862	Ordinary
Other	569,155	989,169	(420,014)	Ordinary
Total deferred tax assets	1,245,543	1,654,993	(409,450)	
Non-admitted deferred tax assets	(9,576)	(420,419)	410,843	
Admitted deferred tax assets	1,235,967	1,234,574	1,393	
Deferred tax liabilities:				
Other	(219,842)	(380,268)	160,426	Ordinary
Total deferred tax liabilities	(219,842)	(380,268)	160,426	
Non-admitted deferred tax liabilities	-	-	-	
Admitted deferred tax liabilities	(219,842)	(380,268)	160,426	
Net admitted deferred tax assets	1,016,125	854,306	161,819	

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Deferred Income Taxes in the Surplus section of the Annual Statement):

	09/30/2011	12/31/2010	Change
Total deferred tax assets	1,245,543	1,654,993	(409,450)
Total deferred tax liabilities	(219,842)	(380,268)	160,426
Net deferred tax asset (liability)	1,025,701	1,274,725	(249,024)
Tax effect of unrealized (gains)/losses			-
Change in net deferred income tax assets - increase (decrease)			, (249,024)

The Company is subject to taxation in the United States. With few exceptions, the Company is no longer subject to U.S. federal tax examination for tax years on or before 2007.

D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory federal tax rate to income before taxes. The significant items causing this difference are as follows:

	Amount	Tax Effect	Effective Tax Rate
Taxes on income at federal statutory tax rate	51,787,118	18,125,491	35.00%
Changes in nonadmitted assets	(48,513)	(16,980)	-0.03%
Meals and entertainment	9,578	3,352	0.01%
Tax-exempt interest income	0	0	0.00%
Other, including Prior Year True-up	177,012	61,954	0.12%
Reported tax expense	51,925,195	18,173,818	35.09%
Federal and foreign income taxes incurred		17,924,794	34.61%
Change in net deferred income taxes		. 249,024	0.48%
Total statutory income taxes		18,173,818	35.09%

Note 10 - Information Concerning Parent, Subsidiaries, and Affiliates

E. On September 9, 2011, Molina Healthcare, Inc. (the "Parent") entered into a credit agreement for a $170 million revolving Credit Factlity with various lenders to be used for general corporate purposes. The Credit Facility is collateralized by a pledge of the capital stock of the Company as well as the common stock of other subsidiaries of the Parent. As of September 30, 2011, there was no outstanding principal balance under the Credit Facility, however, the lenders had issued two letters of credit in the aggregate principal amount of $10.3 million. As of September 30, 2011, the Parent was in compliance with all financial covenants under the Credit Facilty.

On September 9, 2011, the Parent terminated it's existing credit agreement with Bank of America, dated March 9, 2005, as amended to date, which had provided the Parent with a $150 million revolving Credit Facility.

Note 11 - Debt

No significant change.

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

No significant change.

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

(4) Dividends paid by the Company to the Parent during 2011 were as follows:

$29,000,000 ordinary dividend was paid June 30, 2011.

Note 14 - Contingencies

A. On September 9, 2011, the Parent entered into a credit agreement for a $170 million revolving Credit Facility with various lenders to be used for general corporate purposes. The Credit Facility is collateralized by a pledge of the capital stock of the Company, as well as the common stock of other subsidiaries of the Parent. As of September 30, 2011, there was no outstanding principal balance under the Credit Facility, however, the lenders had issued two letters of credit in the aggregate principal amount of $10.3 million. As of September 30, 2011, the parent was in compliance with all financial covenants under the Credit Facilty.

On September 9, 2011, the Parent terminated it's existing credit agreement with Bank of America, dated March 9, 2005, as amended to date, which had provided the Parent with a $150 million revolving Credit Facility.

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.

NOTES TO FINANCIAL STATEMENTS

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

C. There were no wash sales during the period ended September 30, 2011.

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 Measurements

A.

(1) Assets Measured at Fair Value on a Recurring Basis: The Company's assets measured at fair value on a recurring basis include primarily short-term money market funds, which are classified as short-term investments. The Plan receives monthly statements from investment brokers that provide market pricing.

(1)	(2)	(3)	(4)	(5)
Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Short-term investments	$ 58,202,499	$ 0	$ 0	$ 58,202,499
Total assets at fair value	$ 58,202,499	$ 0	$ 0	$ 58,202,499
b. Liabilities at fair value				
None (see (3) below)	$ 0	$ 0	$ 0	$ 0

(2) None

(3) The Company's statutory-basis balance sheets include the following financial instruments: cash, cash equivalents, short-term investments, bonds (stated at amortized cost), investment income due and accrued, receivables, federal income taxes recoverable, claims liabilities, accounts payable, and other current liabilities. The Company believes the carrying amounts of current assets and current liabilities in the statutory-basis financial statements approximate the fair value of these financial instruments because of the relatively short period of time between the origination of the instruments and their expected realization or payment.

B. None

C. See A. (3) above

D. Not applicable.

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.

Note 25 - Change in Incurred Losses and Claim Adjustment Expenses

Unpaid claims and claims adjustment expenses activity as of September 30, 2011, and for the period then ended, is summarized as follows:

Claims unpaid and unpaid claims adjustment expenses, beginning of period	62,020,241
Add provision for claims:	
Current period	529,215,661
Prior periods	(9,245,924)

NOTES TO FINANCIAL STATEMENTS

Net incurred claims during the current period	519,969,737
Deduct paid claims, net of reinsurance:	
Current period	473,272,578
Prior periods	59,070,530
Net paid claims during the current period	532,343,108
Current period change in amounts due from reinsurers	(308,180)
Current period change in health care receivables	
Current period change in claims adjustment expenses	(62,820)
Claims unpaid and unpaid claims adjustment expenses, end of period	49,275,870

The change in prior periods estimated claims reserves represents favorable development in claims experience. Original estimates are increased or decreased as additional information becomes known regarding incurred claims.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

Not applicable.

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 - Anticipated Salvage and Subrogation

No significant 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 [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change: ....

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
If yes, complete the Schedule Y-Part 1 - Organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]
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. 12/31/2006.......................

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. 12/31/2006.......................

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). 4/10/2008.........................

6.4 By what department or departments?
Ohio Department of Insurance

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

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [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 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

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

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 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter 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 Name of Custodian(s)	2 Custodian Address
US Bank	60 Livingston Ave, St Paul , MN 55107
Citi Group	333 W. 34th St., NY, NY 10001

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

1 Central Registration Depository	2 Name(s)	3 Address
149777	Morgan Stanley Smith Barney	555 California Str 35th Fl, San Francisco, CA 94104

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 (continued)

PART 2 - HEALTH

1. Operating Percentages:

1.1	A&H loss percent	77.2 %
1.2	A&H cost containment percent	2.1 %
1.3	A&H expense percent excluding cost containment expenses	15.2 %

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 amount of 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)
A&H Non-Affiliates						
93572	43-1235868	01/01/2011	RGA Reinsurance Company	MO	SSL/I	YES

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	N							0	
35. North Dakota ND	N							0	
36. Ohio OH	L		1,304,585	692,524,447				693,829,032	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CN	N							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	1,304,585	692,524,447	0	0	0	693,829,032	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	0	1,304,585	692,524,447	0	0	0	693,829,032	0

DETAILS OF WRITE-INS

	2	3	4	5	6	7	8	9
5801.							0	
5802.							0	
5803.							0	
5898. Summary of remaining write-ins for line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied 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

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?	SEE EXPLANATION

Explanation:

1. This line of business is not written by the company.

Bar Code:

* 1 2 3 3 4 2 0 1 1 3 6 5 0 0 0 0 3 *

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 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

NONE

	1 Year to Date	2 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

NONE

	1 Year to Date	2 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 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	64,410,109	33,251,742
2. Cost of bonds and stocks acquired	24,930,996	39,116,754
3. Accrual of discount	111,150	13,667
4. Unrealized valuation increase (decrease)		(110,411)
5. Total gain (loss) on disposals	94,532	(1,954)
6. Deduct consideration for bonds and stocks disposed of	25,024,090	7,245,000
7. Deduct amortization of premium	1,175,643	614,689
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)	63,347,054	64,410,109
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	63,347,054	64,410,109

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)	122,793,924	716,703,881	719,308,586	(429,155)	177,859,986	122,793,924	119,760,064	168,617,990
2. Class 2 (a)	19,564,703	189,113,127	177,106,000	15,059		19,564,703	31,586,889	
3. Class 3 (a)					424,620			589,589
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	142,358,626	905,817,008	896,414,586	(414,096)	178,284,606	142,358,627	151,346,953	169,207,579
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	142,358,626	905,817,008	896,414,586	(414,096)	178,284,606	142,358,627	151,346,953	169,207,579

(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	58,202,499	XXX	58,205,660	33,598	

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	104,797,471	146,971,729
2. Cost of short-term investments acquired	1,051,717,507	1,001,195,252
3. Accrual of discount	9,864	11,749
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		(207)
6. Deduct consideration received on disposals	1,098,109,093	1,043,276,077
7. Deduct amortization of premium	213,249	104,975
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	58,202,499	104,797,471
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	58,202,499	104,797,471

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

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	0	3,999,744
2. Cost of cash equivalents acquired	372,454,593	81,722,064
3. Accrual of discount	30,808	18,190
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		(1)
6. Deduct consideration received on disposals	342,688,000	85,739,997
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)	29,797,401	0
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	29,797,401	0

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 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. States, Territories and Possessions									
452152 FT 3	IL ST-TXB-4-BABS		09/28/2011	Unknown		154,701	150,000	1,540	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					154,701	150,000	1,540	XXX
Bonds - U.S. Special Revenue and Special Assessment									
041841 BB 2	ARLINGTON SPL OBLG-C		09/28/2011	Unknown		712,800	660,000	3,816	1FE
66285W HH 2	N TX TWY-A-TXB-BANS		08/01/2011	Unknown		1,544,265	1,500,000	9,764	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments					2,257,065	2,160,000	13,580	XXX
Bonds - Industrial and Miscellaneous									
0258M0 CY 3	AMER EXPRESS CREDIT CO		09/23/2011	Unknown		1,097,820	1,000,000	7,706	1FE
02581F YH 6	AMERICAN EXPR CENTURION		09/19/2011	Unknown		1,046,470	1,000,000	23,896	1FE
22546Q AH 0	CREDIT SUISSE NEW YORK		09/19/2011	Unknown		1,991,160	2,000,000	8,311	1FE
36962G 4H 4	GENERAL ELEC CAP CORP		09/19/2011	Unknown		1,531,350	1,500,000	8,633	1FE
46623E JE 0	JPMORGAN CHASE & CO		08/23/2011	Unknown		2,510,650	2,500,000	4,556	1FE
46625H HB 9	JPMORGAN CHASE & CO		09/27/2011	Unknown		1,579,815	1,500,000	29,490	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					9,757,265	9,500,000	82,591	XXX
8399997.	Total - Bonds - Part 3					12,169,031	11,810,000	97,711	XXX
8399999.	Total - Bonds					12,169,031	11,810,000	97,711	XXX
Common Stocks - Money Market Mutual Funds									
004940 10 2	ACTIVE ASSETS MONEY TRUST		09/27/2011	DIRECT	1,486.110	1,486	XXX		L
9399999.	Total - Common Stocks - Money Market Mutual Funds					1,486	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					1,486	XXX	0	XXX
9799999.	Total - Common Stocks					1,486	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					1,486	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					12,170,517	XXX	97,711	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 11	12	13	14	15	16	17	18	19	20	21	22
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. States, Territories and Possessions																					
68608K MW 5	OR ST-A-BRD HGR ED		08/01/2011	MATURITY		250,000	250,000	250,000	250,000				0		250,000			0	10,875	08/01/2011	1FE
93974C BY 5	WA ST-SER T-TXBL		07/01/2011	MATURITY		500,000	500,000	502,330	500,415		(415)		(415)		500,000			0	20,000	07/01/2011	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					750,000	750,000	752,330	750,415	0	(415)	0	(415)	0	750,000	0	0	0	30,875	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
219207 AA 5	CORNELL UNIVERSITY		09/20/2011	REDEEMED		1,081,560	1,000,000	1,024,660	1,016,256		(3,669)		(3,669)		1,012,586		68,974	68,974	49,783	02/01/2014	1FE
2499999.	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions					1,081,560	1,000,000	1,024,660	1,016,256	0	(3,669)	0	(3,669)	0	1,012,586	0	68,974	68,974	49,783	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
64971K KN 5	NEW YORK TRANSTN-D		09/20/2011	Unknown		2,028,620	2,000,000	2,139,200	2,071,269		(47,755)		(47,755)		2,023,514		5,106	5,106	106,433	02/01/2012	1FE
709163 ER 6	PA HGR ED ARS-TXB-DD2		09/15/2011	Unknown		50,000	50,000	50,000	50,000				0		50,000			0	775	09/01/2045	1FE
928172 RV 9	VA PUB BLDG		08/01/2011	MATURITY		1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000			0	23,500	08/01/2011	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					3,078,620	3,050,000	3,189,200	3,121,269	0	(47,755)	0	(47,755)	0	3,073,514	0	5,106	5,106	130,708	XXX	XXX
Bonds - Industrial and Miscellaneous																					
073928 X7 3	BEAR STEARNS COS LLC		09/27/2011	Unknown		1,051,190	1,000,000	1,094,300	1,092,098		(42,566)		(42,566)		1,049,531		1,659	1,659	79,153	08/10/2012	1FE
191219 BU 7	COCA-COLA REFRESH USA		09/14/2011	REDEEMED		710,024	700,000	723,128	722,387		(13,710)		(13,710)		708,676		1,348	1,348	27,563	03/01/2012	1FE
36962G 2L 7	GENERAL ELEC CAP CORP		09/14/2011	Unknown		2,044,720	2,000,000	2,124,300	2,072,554		(40,597)		(40,597)		2,031,957		12,764	12,764	94,167	04/10/2012	1FE
7591EA AB 9	REGIONS BANK TLGP		08/22/2011	Unknown		1,008,960	1,000,000	1,042,840	1,013,810		(9,533)		(9,533)		1,004,277		4,683	4,683	23,111	12/09/2011	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					4,814,894	4,700,000	4,984,568	4,900,849	0	(106,406)	0	(106,406)	0	4,794,442	0	20,454	20,454	223,993	XXX	XXX
8399997.	Total - Bonds - Part 4					9,725,074	9,500,000	9,950,758	9,788,789	0	(158,246)	0	(158,246)	0	9,630,542	0	94,534	94,534	435,359	XXX	XXX
8399999.	Total - Bonds					9,725,074	9,500,000	9,950,758	9,788,789	0	(158,246)	0	(158,246)	0	9,630,542	0	94,534	94,534	435,359	XXX	XXX
Common Stocks - Money Market Mutual Funds																					
004940 10 2	ACTIVE ASSETS MONEY TRUST		09/27/2011	DIRECT	1,486.110	1,486	XXX	1,486					0		1,486			0		XXX	L
9399999.	Total - Common Stocks - Money Market Mutual Funds					1,486	XXX	1,486	0	0	0	0	0	0	1,486	0	0	0	0	XXX	XXX
9799997	Total - Common Stocks - Part 4					1,486	XXX	1,486	0	0	0	0	0	0	1,486	0	0	0	0	XXX	XXX
9799999.	Total - Common Stocks					1,486	XXX	1,486	0	0	0	0	0	0	1,486	0	0	0	0	XXX	XXX
9899999.	Total - Preferred and Common Stocks					1,486	XXX	1,486	0	0	0	0	0	0	1,486	0	0	0	0	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					9,726,560	XXX	9,952,244	9,788,789	0	(158,246)	0	(158,246)	0	9,632,028	0	94,534	94,534	435,359	XXX	XXX

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

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt A-Sn 1-Footnote
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1-Footnote
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

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
			Rate	Amount of Interest	Amount of Interest Accrued	6	7	8	
Depository		Code	of Interest	Received During Current Quarter	at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
Salomon Smith Barney						1,046	626	6,243	XXX
JP Morgan Chase	Columbus, Ohio					1,487,785	757,263	1,078,433	XXX
JP Morgan Chase	Columbus, Ohio					23,322	163,561	188,757	XXX
JP Morgan Chase	Columbus, Ohio					204,125	497,271	(2,234)	XXX
US Bank	St. Paul, MN					(21,216,827)	(15,814,406)	(12,594,923)	XXX
US Bank	St. Paul, MN					(36,899)	(30,298)	(27,347)	XXX
US Bank	St. Paul, MN					(128,114)	(222,063)	(215,218)	XXX
0199998. Deposits in 0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories		XXX	XXX			4,996,917			XXX
0199999. Total Open Depositories		XXX	XXX	0	0	(14,668,646)	(14,648,046)	(11,566,289)	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	(14,668,646)	(14,648,046)	(11,566,289)	XXX
0599999. Total Cash		XXX	XXX	0	0	(14,668,646)	(14,648,046)	(11,566,289)	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
Industrial and Miscellaneous (Unaffiliated) Issuer Obligations							
Bacardi Corporation		09/19/2011		10/13/2011	2,299,732		
CELGENE CORP		09/23/2011		10/14/2011	4,999,386		
DTE Energy Company		09/28/2011		10/11/2011	2,499,771		
Marriott International, Inc.		09/23/2011		10/07/2011	2,999,840		
NBCUniversal Media, LLC		09/23/2011		10/12/2011	4,999,496		
NextEra Energy Capital Holdings, Inc.		09/23/2011		10/07/2011	4,999,708		
Southern California Edison Company		09/26/2011		10/11/2011	4,999,542		
The Detroit Edison Company		09/19/2011		10/05/2011	1,999,927		
3299999. Industrial and Miscellaneous (Unaffiliated) Issuer Obligations					29,797,401	0	0
3899999. Total - Industrial and Miscellaneous (Unaffiliated)					29,797,401	0	0
Total							
7799999. Subtotals - Issuer Obligations					29,797,401	0	0
8399999. Subtotals - Bonds					29,797,401	0	0
8699999. Total - Cash Equivalents					29,797,401	0	0