



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

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

OFFICERS

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

OTHERS

Jeffrey William Martin Mr.
Mark Henry Moser Mr.

John David Meier M.D.

DIRECTORS OR TRUSTEES

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

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

State of Ohio
County of Lucas ss

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

(Signature)	(Signature)	(Signature)
John Charles Randolph	Jeffrey William Martin	Jeffrey Craig Kuhn
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	VP, Operations & Finance	Secretary
(Title)	(Title)	(Title)

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

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

Yes[X] No[]

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

David Scott Hickman Mr. #	Dale Joseph Seymour Mr. #
Timothy Bublick Mr. #	Mark Leslie Ferris Mr. #
Thomas Phillip Cox M.D. #	Cathy Lynn Cantor M.D. #
Richard Lawrence Munk M.D. #	

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1.	Bonds	8,230,342		8,230,342	4,402,901
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks				
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate:				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....5,964,280), cash equivalents (\$.....29,902,015) and short-term investments (\$.....23,391,813)	59,258,108		59,258,108	58,610,226
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives				
8.	Other invested assets				
9.	Receivables for securities				
10.	Securities lending reinvested collateral assets				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	67,488,450		67,488,450	63,013,127
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	43,232		43,232	25,585
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	7,490,021		7,490,021	3,372,797
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers				
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset	178,834		178,834	144,255
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets (\$.....0)				
22.	Net adjustments in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	2,895,515		2,895,515	826,346
24.	Health care (\$.....0) and other amounts receivable				1,002
25.	Aggregate write-ins for other than invested assets	21,750	21,750		
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	78,117,802	21,750	78,096,052	67,383,112
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	78,117,802	21,750	78,096,052	67,383,112
DETAILS OF WRITE-INS					
1101.	.....				
1102.	.....				
1103.	.....				
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Prepays	21,750	21,750		
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	21,750	21,750		

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$......241,297 reinsurance ceded)	22,753,171		22,753,171	20,925,440
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	466,000		466,000	525,435
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	4,692,445		4,692,445	3,382,989
10.1	Current federal and foreign income tax payable and interest thereon (including \$......0 on realized gains (losses))	1,460,370		1,460,370	445,537
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$......0 current) and interest thereon \$......0 (including \$......0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	1,635,985		1,635,985	2,924
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties with (\$......0 authorized reinsurers and \$......0 unauthorized reinsurers)				
20.	Reinsurance in unauthorized companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including \$......0 current)				
24.	Total liabilities (Lines 1 to 23)	31,007,971		31,007,971	25,282,325
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X		
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	31,621,685	31,621,685
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	15,466,396	10,479,102
32.	Less treasury stock, at cost:				
32.1	0 shares common (value included in Line 26 \$......0)	X X X	X X X		
32.2	0 shares preferred (value included in Line 27 \$......0)	X X X	X X X		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	47,088,081	42,100,787
34.	Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	78,096,052	67,383,112
DETAILS OF WRITE-INS					
2301.	.....				
2302.	.....				
2303.	.....				
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	X X X	832,739	780,285	1,050,218
2.	Net premium income (including \$.....0 non-health premium income)	X X X	170,394,523	160,341,293	213,540,190
3.	Change in unearned premium reserves and reserves for rate credits	X X X			
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X			
5.	Risk revenue	X X X			
6.	Aggregate write-ins for other health care related revenues	X X X			
7.	Aggregate write-ins for other non-health revenues	X X X			
8.	Total revenues (Lines 2 to 7)	X X X	170,394,523	160,341,293	213,540,190
Hospital and Medical:					
9.	Hospital/medical benefits		118,182,237	106,542,668	141,744,803
10.	Other professional services		672,810	631,500	895,167
11.	Outside referrals				
12.	Emergency room and out-of-area		18,722,933	16,826,379	23,478,644
13.	Prescription drugs		(35,142)	3,019,215	2,968,401
14.	Aggregate write-ins for other hospital and medical				
15.	Incentive pool, withhold adjustments and bonus amounts				
16.	Subtotal (Lines 9 to 15)		137,542,838	127,019,762	169,087,015
Less:					
17.	Net reinsurance recoveries		318,971	135,341	237,705
18.	Total hospital and medical (Lines 16 minus 17)		137,223,867	126,884,421	168,849,310
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including \$.....314,723 cost containment expenses		447,446	545,257	1,104,389
21.	General administrative expenses		25,071,643	22,821,739	29,452,454
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)				
23.	Total underwriting deductions (Lines 18 through 22)		162,742,956	150,251,417	199,406,153
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	7,651,567	10,089,876	14,134,037
25.	Net investment income earned		37,585	45,028	68,197
26.	Net realized capital gains (losses) less capital gains tax of \$.....0		549	5,986	2,008
27.	Net investment gains or (losses) (Lines 25 plus 26)		38,134	51,014	70,205
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]				
29.	Aggregate write-ins for other income or expenses				
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	7,689,701	10,140,890	14,204,242
31.	Federal and foreign income taxes incurred	X X X	2,725,818	1,821,639	4,071,039
32.	Net income (loss) (Lines 30 minus 31)	X X X	4,963,883	8,319,251	10,133,203
DETAILS OF WRITE-INS					
0601.	.....	X X X			
0602.	.....	X X X			
0603.	.....	X X X			
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X			
0701.	.....	X X X			
0702.	.....	X X X			
0703.	.....	X X X			
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401.	.....				
1402.	.....				
1403.	.....				
1498.	Summary of remaining write-ins for Line 14 from overflow page				
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901.	.....				
2902.	.....				
2903.	.....				
2998.	Summary of remaining write-ins for Line 29 from overflow page				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year	42,100,787	31,886,078	31,886,078
34.	Net income or (loss) from Line 32	4,963,883	8,319,251	10,133,203
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(4,258)	(8,054)	(1,218)
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax	34,579	(816,602)	(1,432,059)
39.	Change in nonadmitted assets	(6,910)	1,507,659	1,514,783
40.	Change in unauthorized reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes			
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
44.1	Paid in			
44.2	Transferred from surplus (Stock Dividend)			
44.3	Transferred to surplus			
45.	Surplus adjustments:			
45.1	Paid in			
45.2	Transferred to capital (Stock Dividend)			
45.3	Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus			
48.	Net change in capital and surplus (Lines 34 to 47)	4,987,294	9,002,254	10,214,709
49.	Capital and surplus end of reporting period (Line 33 plus 48)	47,088,081	40,888,332	42,100,787
DETAILS OF WRITE-INS				
4701.	.....	.....	.....	.....
4702.	.....	.....	.....	.....
4703.	.....	.....	.....	.....
4798.	Summary of remaining write-ins for Line 47 from overflow page .....	.....	.....	.....
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	.....	.....	.....

CASH FLOW

		1	2	3
		Current	Prior	Prior
		Year	Year	Year Ended
		To Date	To Date	December 31
Cash from Operations				
1.	Premiums collected net of reinsurance	166,277,299	140,720,934	194,578,059
2.	Net investment income	23,094	99,150	134,709
3.	Miscellaneous income			
4.	Total (Lines 1 to 3)	166,300,393	140,820,084	194,712,768
5.	Benefit and loss related payments	135,394,794	120,375,064	166,641,214
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	24,269,068	22,370,541	29,191,510
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	1,714,694	1,101,298	4,920,840
10.	Total (Lines 5 through 9)	161,378,556	143,846,903	200,753,564
11.	Net cash from operations (Line 4 minus Line 10)	4,921,837	(3,026,819)	(6,040,796)
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds	2,254,036		
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)	2,254,036		
13.	Cost of investments acquired (long-term only):			
13.1	Bonds	6,084,633	1,000,003	1,000,003
13.2	Stocks			
13.3	Mortgage loans			
13.4	Real estate			
13.5	Other invested assets			
13.6	Miscellaneous applications			
13.7	Total investments acquired (Lines 13.1 to 13.6)	6,084,633	1,000,003	1,000,003
14.	Net increase (or decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(3,830,597)	(1,000,003)	(1,000,003)
Cash from Financing and Miscellaneous Sources				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes			
16.2	Capital and paid in surplus, less treasury stock			
16.3	Borrowed funds			
16.4	Net deposits on deposit-type contracts and other insurance liabilities			
16.5	Dividends to stockholders			
16.6	Other cash provided (applied)	(443,358)	2,090,272	1,386,542
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(443,358)	2,090,272	1,386,542
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	647,882	(1,936,550)	(5,654,257)
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year	58,610,226	64,264,483	64,264,483
19.2	End of period (Line 18 plus Line 19.1)	59,258,108	62,327,933	58,610,226

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

20.0001				
20.0002				

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	90,799								90,799	
2. First Quarter	92,463								92,463	
3. Second Quarter	92,319								92,319	
4. Third Quarter	95,675								95,675	
5. Current Year										
6. Current Year Member Months	832,739								832,739	
Total Member Ambulatory Encounters for Period:										
7. Physician	20,081								20,081	
8. Non-Physician	39,168								39,168	
9. Total	59,249								59,249	
10. Hospital Patient Days Incurred	31,566								31,566	
11. Number of Inpatient Admissions	9,672								9,672	
12. Health Premiums Written (a)	171,510,960								171,510,960	
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	171,510,960								171,510,960	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	135,713,765								135,713,765	
18. Amount Incurred for Provision of Health Care Services	137,542,838								137,542,838	

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

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

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	4,252,112	627,714	308,649	81,286	116,717	5,386,478
0499999 Subtotals	4,252,112	627,714	308,649	81,286	116,717	5,386,478
0599999 Unreported claims and other claim reserves						17,607,990
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						22,994,468
0899999 Accrued Medical Incentive Pool And Bonus Amounts						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5	6
		1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical)						
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	17,410,671	117,984,123	837,060	21,916,111	18,247,731	20,925,440
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	17,410,671	117,984,123	837,060	21,916,111	18,247,731	20,925,440
10.	Healthcare receivables (a)						1,342
11.	Other non-health						
12.	Medical incentive pools and bonus amounts						
13.	Totals (Lines 9 - 10 + 11 + 12)	17,410,671	117,984,123	837,060	21,916,111	18,247,731	20,924,098

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

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

	State of Domicile Ohio	Sept. 30 2011	Dec. 31 2010
NET INCOME			
Paramount Advantage state basis		4,963,883	10,133,203
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		4,963,883	10,133,203
SURPLUS			
Paramount Advantage state basis		47,088,081	42,100,787
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		47,088,081	42,100,787

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

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

In addition, the company uses the following accounting policies:

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

Notes to Financial Statement

- 8. The Company has no investments in joint ventures.
- 9. The Company does not invest in derivatives.
- 10. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.
- 11. Unpaid losses and loss adjustment expenses include an amount from individual case estimates and loss reports and an amount, based on limited past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- 12. The Company’s capitalization policy is those qualifying expenses over \$2,500.
- 13. The Company estimates its pharmaceutical rebate receivables based on historical recoveries per script and the number of scripts written.

2. Accounting Changes and Corrections of Errors

-NOT APPLICABLE

3. Business Combinations and Goodwill

-NOT APPLICABLE

4. Discontinued Operations

-NOT APPLICABLE

5. Investments

No significant change.

6. Joint ventures, Partnerships and Limited Liability Companies

-NOT APPLICABLE

7. Investment Income

No significant change.

8. Derivative Instruments

-NOT APPLICABLE

9. Income Taxes

-NOT APPLICABLE

10. Information Concerning Parent, Subsidiaries and Affiliates

No significant changes.

11. Debt

-NOT APPLICABLE

12. Retirement Plans, Deferred Compensation, Postemployment Benefits

Notes to Financial Statement

-NOT APPLICABLE

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

No significant change.

14. Contingencies

-NOT APPLICABLE

15. Leases

-NOT APPLICABLE

16. Off-Balance Sheet Risk

-NOT APPLICABLE

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

-NOT APPLICABLE

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

-NOT APPLICABLE

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

-NOT APPLICABLE

20. Fair Value Measurement

-NOT APPLICABLE

21. Other Items

No significant change.

22. Subsequent Events

No significant change.

23. Reinsurance

No significant change.

24. Retrospectively Rated Contracts

-NOT APPLICABLE

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2010 were \$21,450,875. As of September 30, 2011 \$17,487,432 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$837,060 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicaid lines of insurance. Therefore, there has been a \$3,126,383 favorable prior-year development since December 31, 2010 to September 30, 2011. The decrease is generally a result of ongoing analysis of recent

Notes to Financial Statement

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

26. Intercompany Pooling Arrangements

-NOT APPLICABLE

27. Structured Settlements

-NOT APPLICABLE

28. Health Care Receivables

No significant change.

29. Participating Policies

-NOT APPLICABLE

30. Premium Deficiency Reserves

No significant change.

31. Anticipated Salvage and Subrogation

-NOT APPLICABLE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

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

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

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

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

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

Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

Yes[] No[X] N/A[]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2010
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2010
- 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).

09/07/2011
- 6.4 By what department or departments?
Ohio Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

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

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

Yes[] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes[X] No[]
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

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

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

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

\$..... 0

GENERAL INTERROGATORIES (Continued)

INVESTMENT

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

14.2 If yes, please complete the following:

Yes[] No[X]

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

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

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

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

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

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

Yes[X] No[]

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

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

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

Yes[] No[X]

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

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

1	2	3
Central Registration Depository	Name(s)	Address
.....		

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

17.2 If no, list exceptions:

Yes[X] No[]

GENERAL INTERROGATORIES

PART 2 - HEALTH

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

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

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

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	N								
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	L			171,510,960				171,510,960	
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X			171,510,960				171,510,960	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	Total (Direct Business)	(a)..... 1			171,510,960				171,510,960	
DETAILS OF WRITE-INS										
5801.	.....	X X X								
5802.	.....	X X X								
5803.	.....	X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

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

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

No significant changes noted.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

RESPONSE
No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



123532011136500003

2011

Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

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

SCHEDULE A - VERIFICATION

Real Estate		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired		
2.1	Actual cost at time of acquisition		
2.2	Additional investment made after acquisition		
3.	Current year change in encumbrances		
4.	Total gain (loss) on disposals		
5.	Deduct amounts received on disposals		
6.	Total foreign exchange change in book/adjusted carrying value		
7.	Deduct current year's other than temporary impairment recognized		
8.	Deduct current year's depreciation		
9.	Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

Bonds and Stocks		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	4,402,901	3,406,350
2.	Cost of bonds and stocks acquired	6,084,633	1,000,003
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration for bonds and stocks disposed of	2,254,036	
7.	Deduct amortization of premium	3,156	3,452
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	8,230,342	4,402,901
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	8,230,342	4,402,901

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	16,533,233	79,681,413	34,689,123	(1,354)	47,412,557	16,533,233	61,524,169	46,498,292
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	16,533,233	79,681,413	34,689,123	(1,354)	47,412,557	16,533,233	61,524,169	46,498,292
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	16,533,233	79,681,413	34,689,123	(1,354)	47,412,557	16,533,233	61,524,169	46,498,292

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....10,398,079; 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	23,391,813	X X X	23,404,099	19,924	22,438

SCHEDULE DA - Verification

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	26,982,414	33,936,587
2.	Cost of short-term investments acquired	50,114,381	53,386,434
3.	Accrual of discount	26,958	52,570
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	53,713,471	60,168,340
7.	Deduct amortization of premium	18,469	224,837
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	23,391,813	26,982,414
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	23,391,813	26,982,414

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SCHEDULE E - Verification
(Cash Equivalents)

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	15,112,978	8,260,443
2.	Cost of cash equivalents acquired	120,311,203	132,356,213
3.	Accrual of discount	24,163	26,837
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	105,546,329	125,530,515
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	29,902,015	15,112,978
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	29,902,015	15,112,978

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
31331KVL1	FEDERAL FARM CR BK CONS BD		08/19/2011	JPMORGAN CHASE BANK/G.X.CLARKE, JERSEY	X X X	499,948	500,000.00		1
31398A5A6	FEDERAL NATL MTG ASSN		09/23/2011	MORGAN STANLEY & CO INC, NY	X X X	900,685	900,000.00	32	1
31398A3X8	FEDERAL NATL MTG ASSN		09/08/2011	JPMORGAN CHASE BANK/G.X.CLARKE, JERSEY	X X X	400,492	400,000.00	304	1
912828MB3	U S TREASURY NOTE		09/29/2011	JP MORGAN CHASE BANK/HSBCI, NEW YORK	X X X	2,527,910	2,500,000.00	8,146	1
0599999 Subtotal - Bonds - U.S. Governments					X X X	4,329,035	4,300,000.00	8,482	X X X
8399997 Subtotal - Bonds - Part 3					X X X	4,329,035	4,300,000.00	8,482	X X X
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	4,329,035	4,300,000.00	8,482	X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X		X X X		X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	4,329,035	X X X	8,482	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE D - PART 4
Show All Long-Term Bonds and Stocks Sold, Redeemed, or Otherwise Disposed of
During the Current Quarter

1	2	3 F o r e i g n	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description		Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
Bonds - U.S. Governments																						
31331KVL1	FEDERAL FARM CR BK CONS BD		08/25/2011	BARCLAYS CAPITAL INC, NEW	X X X	499,849	500,000.00	499,948							499,948		(100)	(100)	9	08/22/2012	1	
3128X93D0	FEDERAL HOME LN MTG CORP		09/26/2011	Maturity	X X X	1,000,000	1,000,000.00	1,000,003	1,000,001		(1)		(1)		1,000,000				428	09/26/2011	1	
0599999 Subtotal - Bonds - U.S. Governments					X X X	1,499,849	1,500,000.00	1,499,951	1,000,001		0		0		1,499,948		(100)	(100)	437	X X X	X X X	
8399997 Subtotal - Bonds - Part 4					X X X	1,499,849	1,500,000.00	1,499,951	1,000,001		0		0		1,499,948		(100)	(100)	437	X X X	X X X	
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	1,499,849	1,500,000.00	1,499,951	1,000,001		0		0		1,499,948		(100)	(100)	437	X X X	X X X	
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X		X X X													X X X	X X X	
9999999 Total - Bonds, Preferred and Common Stocks					X X X	1,499,849	X X X	1,499,951	1,000,001		0		0		1,499,948		(100)	(100)	437	X X X	X X X	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D NONE

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

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

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1			2	3	4	5	Book Balance at End of Each Month			9
							During Current Quarter			
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
Huntington Bank							24,175,177	6,393,908	5,964,280	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository - open depositories			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X			24,175,177	6,393,908	5,964,280	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X			24,175,177	6,393,908	5,964,280	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash			X X X	X X X			24,175,177	6,393,908	5,964,280	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations							
ALPINE SECR CORP DISC		09/12/2011	0.000	10/06/2011	599,981		57
AMERICAN HONDA FN DISC		09/27/2011	0.000	10/18/2011	899,955		5
AMERICAN HONDA FN DISC		08/17/2011	0.000	10/24/2011	199,977		41
BARCLAYS US FDG DISC		09/09/2011	0.000	10/07/2011	699,982		53
BARCLAYS US FDG DISC		09/14/2011	0.000	11/14/2011	449,843		57
CREDIT SUISSE FST DISC		08/05/2011	0.000	10/17/2011	599,928		232
EUROPEAN INVEST DISC		08/05/2011	0.000	10/11/2011	749,963		186
FALCON ASSET SEC DISC		08/09/2011	0.000	10/04/2011	1,099,980		254
FCAR OWNER TR I DISC		09/23/2011	0.000	10/21/2011	899,895		35
GENERAL ELEC CAP DISC		08/04/2011	0.000	10/13/2011	899,957		185
HSBC AMERICAS INC DISC		09/08/2011	0.000	12/07/2011	1,099,586		136
LIBERTY ST FDG DISC		09/27/2011	0.000	10/27/2011	549,930		8
METLIFE FDG INC DISC		09/09/2011	0.000	11/08/2011	1,099,882		65
NATIONAL AUST FDG DISC		08/05/2011	0.000	11/01/2011	799,838		288
NESTLE CAP CORP DISC		08/05/2011	0.000	11/01/2011	799,929		118
NETJETS INC DISC		08/04/2011	0.000	10/03/2011	799,991		165
NETJETS INC DISC		09/07/2011	0.000	11/02/2011	299,970		21
NORDEA NORTH AMER DISC		08/05/2011	0.000	10/11/2011	599,963		176
NORDEA NORTH AMER DISC		08/18/2011	0.000	10/18/2011	499,952		113
NOVARTIS FIN CORP DISC		09/27/2011	0.000	10/11/2011	999,979		6
NY LIFE CAP CORP DISC		08/09/2011	0.000	10/11/2011	1,099,956		206
OLD LINE FDG CORP DISC		09/01/2011	0.000	10/18/2011	949,924		122
PACCAR FINL CORP DISC		08/01/2011	0.000	10/25/2011	299,958		100
PRESIDENT & FLWS HRVD		08/08/2011	0.000	10/11/2011	1,099,952		226
PROCTOR & GAMBLE DISC		07/28/2011	0.000	10/25/2011	299,974		63
PROCTOR & GAMBLE DISC		08/02/2011	0.000	10/25/2011	799,899		235
RABOBANK USA FINL DISC		09/30/2011	0.000	10/14/2011	414,984		19
SANOFI-AVENTIS DISC		09/14/2011	0.000	11/14/2011	599,918		30
SHEFFIELD REC CP DISC		09/22/2011	0.000	10/27/2011	579,922		23
TOYOTA MTR CR CP DISC		08/09/2011	0.000	11/04/2011	499,913		131
UBS FIN DEL INC DISC		09/07/2011	0.000	10/07/2011	1,099,970		98
UOB FUNDING LLC DISC		09/07/2011	0.000	11/23/2011	499,806		84
VARIABLE FDG CAP DISC		08/11/2011	0.000	10/07/2011	399,986		100
WAL MART STORES DISC		09/13/2011	0.000	10/11/2011	1,149,975		38
BANK NOVA SCOTIA DISC		08/03/2011	0.000	11/01/2011	899,841		291
BANK OF MONTREAL DISC		08/09/2011	0.000	10/11/2011	1,099,942		269
ROYAL BANK CANADA DISC		09/01/2011	0.000	11/23/2011	209,947		29
DNB NOR BANK DISC		08/05/2011	0.000	10/05/2011	1,149,972		304
KFW DISC		08/05/2011	0.000	10/07/2011	749,982		140
KFW DISC		08/18/2011	0.000	10/20/2011	349,974		54
WESTPAC BANKING DISC		08/10/2011	0.000	11/07/2011	999,737		355
3299999 Subtotals - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations					29,902,015		5,118
3899999 Subtotals - Industrial & Miscellaneous (Unaffiliated)					29,902,015		5,118
7799999 Subtotals - Issuer Obligations					29,902,015		5,118
8399999 Subtotals - Bonds					29,902,015		5,118

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
8499999 Sweep Accounts							
8599999 Other Cash Equivalents							
8699999 Total - Cash Equivalents					29,902,015		5,118

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