

QUARTERLY STATEMENT

OF THE

DEALERS ASSURANCE COMPANY

of **UPPER ARLINGTON**

in the state of **OHIO**

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

September 30, 2011

PROPERTY AND CASUALTY

2011



16705201120100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2011
OF THE CONDITION AND AFFAIRS OF THE

Dealers Assurance Company

NAIC Group Code	0000	0000	NAIC Company Code	16705	Employer's ID Number	34-6513705
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		
Country of Domicile	US					
Incorporated/Organized:	August 2, 1935			Commenced Business:		
Statutory Home Office:	3518 Riverside Drive			Upper Arlington, OH 43221		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office:	3518 Riverside Drive			800-282-8913		
	(Street and Number)			(Area Code) (Telephone Number)		
	Upper Arlington, OH 43221			Upper Arlington, OH 43221		
	(City or Town, State and Zip Code)			(City or Town, State and Zip Code)		
Mail Address:	3518 Riverside Drive			Upper Arlington, OH 43221		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records:	3518 Riverside Drive			800-282-8913		
	(Street and Number)			(Area Code) (Telephone Number)		
Internet Website Address:	www.dealersassurance.com					
Statutory Statement Contact:	Daniel George			800-282-8913-208		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	dgeorge@dealersassurance.com			614-459-2665		
	(E-Mail Address)			(Fax Number)		

OFFICERS

	Name	Title
1.	Kirk Alan Borchardt	CEO/President
2.	Daniel Eric George #	CFO/Secretary
3.	Sharon Mae Spohn	Treasurer

VICE-PRESIDENTS

Name	Title	Name	Title
Edmond Melger Eckert	Vice President		

DIRECTORS OR TRUSTEES

James Bradford Smith	Edmond Melgar Eckert	Sharon Mae Spohn	Kirk Alan Borchardt
Daniel Eric George #			

State of Ohio

County of Franklin ss

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

(Signature)	(Signature)	(Signature)
Kirk Alan Borchardt	Daniel Eric George	Sharon Mae Spohn
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
CEO/President	CFO/Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
11th day of November, 2011

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	55,208,448		55,208,448	53,729,938
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	3,075,856		3,075,856	3,311,269
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 1,569,098), cash equivalents (\$ 0), and short-term investments (\$ 5,287,140)	6,856,238		6,856,238	4,102,492
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	65,140,542		65,140,542	61,143,699
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	402,476		402,476	517,980
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,996,229		1,996,229	1,187,951
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				2,886
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	334,326		334,326	
18.2 Net deferred tax asset	860,601		860,601	842,612
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,240,147	1,240,147		
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	760,968	7,309	753,659	349,542
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	70,735,289	1,247,456	69,487,833	64,044,670
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	70,735,289	1,247,456	69,487,833	64,044,670

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Accounts Receivable	753,659		753,659	349,542
2502. Prepaid Expenses	7,309	7,309		
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	760,968	7,309	753,659	349,542

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 416,366)	417,366	14,781
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	1,989	1,643
4. Commissions payable, contingent commissions and other similar charges	433,659	455,269
5. Other expenses (excluding taxes, licenses and fees)	419,023	373,800
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	496,658	668,261
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		193,647
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 118,963,472 and including warranty reserves of \$ 12,469,418)	13,510,878	12,682,616
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	814,467	413,478
13. Funds held by company under reinsurance treaties	4,920,757	4,602,119
14. Amounts withheld or retained by company for account of others	4,980,209	4,756,295
15. Remittances and items not allocated	22,450	22,450
16. Provision for reinsurance	274,000	274,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities	1,001,212	220
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	27,292,668	24,458,579
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	27,292,668	24,458,579
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,200,990	4,200,990
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes	3,000,000	3,000,000
34. Gross paid in and contributed surplus	9,232,810	9,232,810
35. Unassigned funds (surplus)	25,761,365	23,152,291
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	42,195,165	39,586,091
38. Totals (Page 2, Line 28, Col. 3)	69,487,833	64,044,670

DETAILS OF WRITE-IN LINES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 84,797,928)	55,920,083	46,812,804	9,149,667
1.2 Assumed (written \$ (84))	422	1,387,981	
1.3 Ceded (written \$ 77,517,154)	49,468,078	42,041,347	
1.4 Net (written \$ 7,280,690)	6,452,427	6,159,438	9,149,667
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 36,903,861):			
2.1 Direct	36,905,780	28,587,337	538,802
2.2 Assumed	(29,545)	659,812	
2.3 Ceded	36,169,773	28,826,405	
2.4 Net	706,462	420,744	538,802
3. Loss adjustment expenses incurred	216,045	278,289	389,776
4. Other underwriting expenses incurred	2,569,400	2,336,106	3,245,662
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	3,491,907	3,035,139	4,174,240
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	2,960,520	3,124,299	4,975,427
INVESTMENT INCOME			
9. Net investment income earned	888,013	1,057,028	1,320,931
10. Net realized capital gains (losses) less capital gains tax of \$ 0	127,910	(10,824)	33,486
11. Net investment gain (loss) (Lines 9 + 10)	1,015,923	1,046,204	1,354,417
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	22,608	13,100	16,658
15. Total other income (Lines 12 through 14)	22,608	13,100	16,658
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	3,999,051	4,183,603	6,346,502
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	3,999,051	4,183,603	6,346,502
19. Federal and foreign income taxes incurred	1,412,027	1,460,596	2,108,672
20. Net income (Line 18 minus Line 19) (to Line 22)	2,587,024	2,723,007	4,237,830
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	39,586,091	36,597,168	36,597,168
22. Net income (from Line 20)	2,587,024	2,723,007	4,237,830
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(354,313)	74,401	331,276
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	17,989	(14,293)	475,376
27. Change in nonadmitted assets	358,374	204,292	218,441
28. Change in provision for reinsurance			(274,000)
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			(2,000,000)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	2,609,074	2,987,407	2,988,923
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	42,195,165	39,584,575	39,586,091

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Roadside Commission	11,338	1,220	15,012
1402. Misc. Income	10,980	11,770	1,536
1403. Transfer Fee Income	290	110	110
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	22,608	13,100	16,658
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	6,876,292	5,879,143	8,447,413
2. Net investment income	1,152,370	1,182,144	1,560,104
3. Miscellaneous income	22,608	13,100	16,658
4. Total (Lines 1 to 3)	8,051,270	7,074,387	10,024,175
5. Benefit and loss related payments	303,877	426,960	542,199
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	2,933,090	2,475,051	3,312,269
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	1,940,000	1,915,025	1,915,025
10. Total (Lines 5 through 9)	5,176,967	4,817,036	5,769,493
11. Net cash from operations (Line 4 minus Line 10)	2,874,303	2,257,351	4,254,682
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	11,143,376	7,735,305	11,192,737
12.2 Stocks	838,399	1,160,770	1,333,064
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	1,000,993		897
12.8 Total investment proceeds (Lines 12.1 to 12.7)	12,982,768	8,896,075	12,526,698
13. Cost of investments acquired (long-term only):			
13.1 Bonds	12,776,430	7,558,044	16,193,197
13.2 Stocks	822,943	1,192,745	1,363,669
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	761	74,789	331,276
13.7 Total investments acquired (Lines 13.1 to 13.6)	13,600,134	8,825,578	17,888,142
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(617,366)	70,497	(5,361,444)
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			2,000,000
16.6 Other cash provided (applied)	496,809	384,755	191,087
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	496,809	384,755	(1,808,913)
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)	2,753,746	2,712,603	(2,915,675)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	4,102,492	7,018,167	7,018,167
19.2 End of period (Line 18 plus Line 19.1)	6,856,238	9,730,770	4,102,492

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices

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

1b. – 5a. No changes to note

5d. Loan-Backed Securities

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

5e.-8. No changes to note

9. Income Taxes

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

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

A.- F. No changes to Note

- G. The parent company, Dealers Alliance Corporation, is a non-insurance entity. The Company had no transactions other than cost allocation with its parent company. Through 09/30/10 (and prior years) Dealers Assurance Company provided funds for federal income tax deposits (on a consolidated basis). In prior years other companies included in consolidated tax return reimbursed their portion of federal income tax deposits on a quarterly basis. However, at September 30, 2011, there was approximately \$1.2M receivable that had not been reimbursed by Dealers Alliance Corporation. Dealers Assurance Company has reflected that receivable on Asset line 23 – Receivables from parent, subsidiaries and affiliates. The Company has listed this receivable as a non admitted asset.
- H-L Dealers Assurance Company holds no investments in its parent company or affiliates.

11. – 16.
No changes to note.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
The Company does not have any sales or transfers to report.

18. – 19.
No changes to note.

20. Fair Value Measurements

A.

(1) Assets Measured at Fair Value on a Recurring Basis

(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair value				
Preferred Stock				
Bonds				
Common Stock (Ind & Misc)	\$ 3,075,856			\$ 3,075,856
Derivative assets				
Separate account assets				
		\$ -	\$ -	
Total assets at fair value	\$ 3,075,856	-	-	\$ 3,075,856
b. Liabilities at fair value	\$			\$
Total liabilities at fair value	\$			\$

- (2) There have been no significant transfers between level 1 and 2.
- (3-4) Assets measured at Fair Value on a recurring basis with significant unobservable inputs (level 3)
NONE

21. – 24.
No changes to note.

25. Change in Incurred Losses and Loss Adjustment Expenses
Reserves as of December 31, 2010 were \$16,424. As of September 30, 2011 \$14,276 was paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves for prior year are now \$1,000. There was no re-estimation of unpaid claims and claim adjustment expenses. There has been a \$1,148 prior year development. Business written by DAC is related to service contracts issued on an assortment of consumer goods, but primarily, automobile service contracts. Historically, losses on this coverage are settled within 90 days of incurred date (98.7%); and the balance is settled within 180 days of incurred date.

26. – 35. No changes to note.

36. Financial Guaranty Insurance
The company does not write financial guaranty insurance.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state?

Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2 If yes, date of change:

3. Have there been any substantial changes in the organizational chart since the prior quarter end?
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 [] N/A [X]

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

12/31/2009

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

12/31/2009

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

02/15/2011

6.4 By what department or departments?
Ohio 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]

GENERAL INTERROGATORIES

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

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

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

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

Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

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

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

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

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

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

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

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] 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: \$ _____

GENERAL INTERROGATORIES

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

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End 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 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$	\$
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

Yes [X] No []

17.2 If no, list exceptions:

.....

.....

.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation.

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

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

Yes [] No [X]

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

Yes [] No [X]

3.2 If yes, give full and complete information thereto:

.....

.....

.....

.....

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

Yes [] No [X]

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1. A&H loss percent _____ %

5.2. A&H cost containment percent _____ %

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

6.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

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

\$ _____

6.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

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

\$ _____

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
Current Year To Date - Allocated by States and Territories

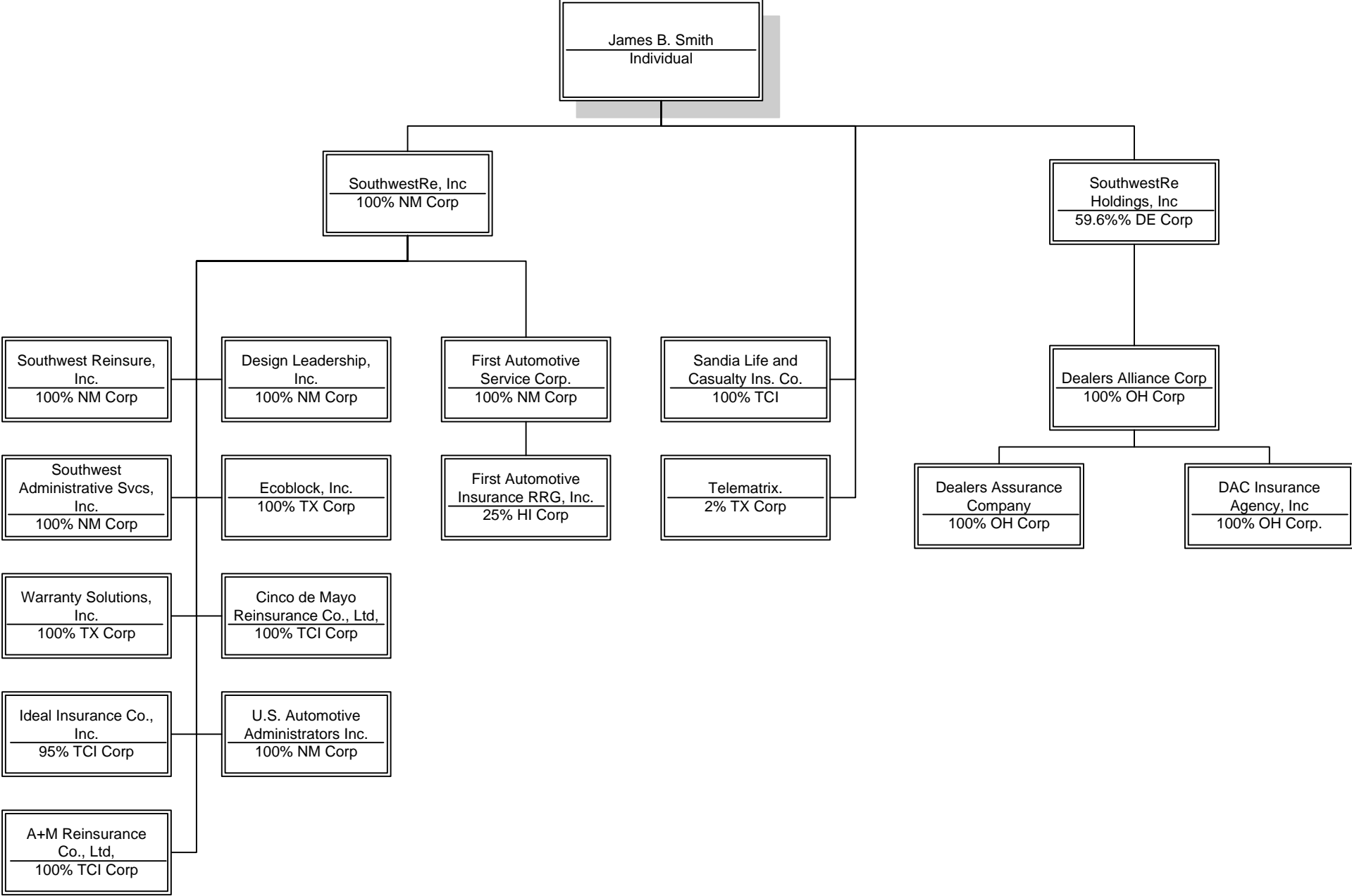
		1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2	3	4	5	6	7
States, Etc.		Active Status	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1. Alabama	AL	L	2,281,905	1,984,937	1,225,155	1,079,233	61,098	60,139
2. Alaska	AK	L						
3. Arizona	AZ	L	355,772	168,087	102,251	60,068	2,930	5,448
4. Arkansas	AR	L	1,639,679	1,114,537	615,426	524,638	30,382	32,057
5. California	CA	L	11,432,577	13,217,782	3,551,825	3,311,788	278,804	392,371
6. Colorado	CO	L	17,957,218	5,436,566	2,613,090	1,205,768	85,506	67,997
7. Connecticut	CT	L	1,001,143	476,314	562,300	254,686	15,161	3,937
8. Delaware	DE	L	385,629	250,268	137,506	80,326	5,386	1,615
9. District of Columbia	DC	L						
10. Florida	FL	L	2,577,959	2,512,063	1,903,739	1,432,135	81,540	62,515
11. Georgia	GA	L	1,954,843	279,913	1,451,243	150,394	8,187	8,095
12. Hawaii	HI	N						
13. Idaho	ID	L	2,253	5,663	591	1,114	54	
14. Illinois	IL	L	320,105	548,558	121,038	189,183	12,475	10,193
15. Indiana	IN	L	190,996	88,435	74,641	42,750	2,062	2,348
16. Iowa	IA	L	175,496	194,789	71,721	85,960	4,556	4,440
17. Kansas	KS	L	184,780	164,056	85,753	73,198	3,931	3,109
18. Kentucky	KY	L	195,184	170,526	103,203	88,444	4,552	2,028
19. Louisiana	LA	L	1,601,279	1,463,345	917,387	691,379	39,984	23,074
20. Maine	ME	L	379,075	313,159	180,330	126,182	7,734	3,815
21. Maryland	MD	L	877,009	796,161	481,392	391,134	22,601	11,585
22. Massachusetts	MA	L	548,198	104,097	178,857	90,071	5,221	4,112
23. Michigan	MI	L	4,236,999	2,758,804	4,156,622	2,809,187	173,814	101,543
24. Minnesota	MN	L	467,991	376,483	287,722	296,471	16,855	16,516
25. Mississippi	MS	L	2,068,654	1,391,379	836,304	587,633	36,050	21,220
26. Missouri	MO	L	1,749,150	1,144,094	844,898	544,124	33,749	28,328
27. Montana	MT	L	221,366	88,721	56,553	50,361	2,605	1,285
28. Nebraska	NE	L	225,582	532,422	613,345	1,167,273	35,437	25,642
29. Nevada	NV	L	339,902	258,428	216,583	115,110	6,920	4,386
30. New Hampshire	NH	L	136,788	107,633	55,338	51,039	2,794	8,408
31. New Jersey	NJ	L	639,781	584,007	363,784	244,332	13,631	3,879
32. New Mexico	NM	L	2,471,992	1,609	165,542	141,369	7,594	12,244
33. New York	NY	L	2,846,229	3,943,000	2,675,234	2,617,429	220,127	109,745
34. North Carolina	NC	L	923,051	1,255,291	404,823	788,664	67,178	76,749
35. North Dakota	ND	L	45,312	11,130	11,977	1,519	175	
36. Ohio	OH	L	2,064,081	1,537,253	784,307	580,992	401,879	15,798
37. Oklahoma	OK	L	338,805	298,111	173,088	148,845	8,255	6,113
38. Oregon	OR	L	54,707	54,144	36,126	18,681	1,124	191
39. Pennsylvania	PA	L	2,092,474	1,569,882	649,968	390,246	23,688	13,438
40. Rhode Island	RI	L	12,410					
41. South Carolina	SC	L	38,614	24,010	18,921	23,389	2,240	350
42. South Dakota	SD	L	35,397	29,170	21,084	3,370	456	
43. Tennessee	TN	L	1,721,510	1,310,150	919,771	643,044	37,835	35,750
44. Texas	TX	L	7,760,016	6,126,507	4,743,204	4,181,290	255,808	290,970
45. Utah	UT	L	26,409		2,426			
46. Vermont	VT	L	181,463	172,554	99,836	91,805	5,855	1,238
47. Virginia	VA	L	1,025,150	1,013,633	515,841	473,164	26,738	18,010
48. Washington	WA	L	8,278,931	7,310,164	3,225,392	2,483,993	185,328	208,099
49. West Virginia	WV	L	305,347	251,698	132,170	100,260	6,032	2,022
50. Wisconsin	WI	L	305,855	114,635	123,851	167,231	8,588	10,185
51. Wyoming	WY	L	122,862	45,254	30,013	17,006	868	1,573
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. Totals		(a) 50	84,797,928	61,599,422	36,542,171	28,616,278	2,253,787	1,712,560

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



PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence	388,138			
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty	55,531,945	36,905,780	66.5	61.6
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	55,920,083	36,905,780	66.0	61.1

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

PART 2 – DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	70,588	471,433	448,725
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty	37,523,876	84,326,488	61,150,697
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	37,594,464	84,797,921	61,599,422

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + prior													
2. 2009													
3. Subtotals 2009 + prior													
4. 2010	13	3	16	12	2	14			1	1	(1)		(1)
5. Subtotals 2010 + prior	13	3	16	12	2	14			1	1	(1)		(1)
6. 2011	X X X	X X X	X X X	X X X	506	506	X X X	415	3	418	X X X	X X X	X X X
7. Totals	13	3	16	12	508	520		415	4	419	(1)		(1)

8. Prior Year-End Surplus As

13

Regards Policyholders 39,586

Col. 11, Line 7
As % of Col. 1,
Line 7

Col. 12, Line 7
As % of Col. 2,
Line 7

Col. 13, Line 7
As % of Col. 3,
Line 7

1. -7.692

2.

3. -6.250

Col. 13, Line 7
Line 8

4. -0.003

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION
Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying 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

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

SCHEDULE BA - VERIFICATION
Other Long-Term Invested Assets

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

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	57,041,208	51,798,975
2. Cost of bonds and stocks acquired	13,599,371	17,556,867
3. Accrual of discount	23,858	25,580
4. Unrealized valuation increase (decrease)	(353,552)	331,276
5. Total gain (loss) on disposals	127,910	33,486
6. Deduct consideration for bonds and stocks disposed of	11,981,779	12,525,801
7. Deduct amortization of premium	172,711	179,175
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	58,284,305	57,041,208
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	58,284,305	57,041,208

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	55,550,098	7,348,086	3,854,981	(46,425)	55,496,000	55,550,098	58,996,778	55,160,536
2. Class 2 (a)	1,498,608			223	1,498,387	1,498,608	1,498,831	1,498,169
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	57,048,706	7,348,086	3,854,981	(46,202)	56,994,387	57,048,706	60,495,609	56,658,705
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	57,048,706	7,348,086	3,854,981	(46,202)	56,994,387	57,048,706	60,495,609	56,658,705

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 280,776; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	5,287,140	X X X	5,287,140	587	

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	2,928,765	4,999,188
2. Cost of short-term investments acquired	6,485,310	10,718,906
3. Accrual of discount	20	4
4. Unrealized valuation increase (decrease)	(20)	(4)
5. Total gain (loss) on disposals	24	30
6. Deduct consideration received on disposals	4,126,959	12,789,359
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	5,287,140	2,928,765
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	5,287,140	2,928,765

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

NONE Schedule E Verification

NONE Schedule A - Part 2 and 3

NONE Schedule B - Part 2 and 3

NONE Schedule BA - Part 2 and 3

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
31398A-U3-4	Fannie Mae 2.375%		07/18/2011	Key Trust Co Of Ohio, Na		520,885	500,000.00	5,707	1FE
31331K-UU-2	Federal Farm Credit Bank 1%		08/22/2011	Undefined		105,000	105,000.00	23	1FE
312945-ZD-3	FHLMC A9 740 4.0% 2041		08/17/2011	Undefined		128,830	122,658.85	286	1FE
912828-PE-4	US TREASURY NOTE		08/16/2011	Key Trust Co Of Ohio, Na		511,232	500,000.00	1,885	1FE
912828-RD-4	US Treasury Note .125%		09/02/2011	Key Trust Co Of Ohio, Na		199,688	200,000.00	5	1FE
0599999	Total Bonds U. S. Government				X X X	1,465,635	1,427,658.85	7,906	X X X
05531F-AG-8	BB & T Corp Med Term Bk Nt 3.20%		09/02/2011	Key Trust Co Of Ohio, Na		517,230	500,000.00	8,044	1FE
278642-AB-9	Ebay Inc Senior Nt 1.625%		08/18/2011	Key Trust Co Of Ohio, Na		252,408	250,000.00	1,444	1FE
369550-AQ-1	General Dynamics Corp Med Term Nt		08/18/2011	Key Trust Co Of Ohio, Na		258,768	250,000.00	641	1FE
36962G-4T-8	General Elect Cap Corp 2.5%		08/18/2011	Key Trust Co Of Ohio, Na		248,680	250,000.00	1,625	1FE
428236-BN-2	Hewlett-Packard Co Senior Nt 2.35%		09/30/2011	Key Trust Co Of Ohio, Na		503,765	500,000.00	522	1FE
459200-GW-5	International Business Machines Nt		08/18/2011	Key Trust Co Of Ohio, Na		253,318	250,000.00	877	1FE
46625H-JA-9	JP Morgan Chase & Co 3.15%		08/18/2011	Key Trust Co Of Ohio, Na		254,040	250,000.00	1,181	1FE
89233P-5E-2	Toyota Motor Credit Corp 2.00%		09/30/2011	Key Trust Co Of Ohio, Na		496,960	500,000.00	556	1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	2,785,169	2,750,000.00	14,890	X X X
8399997	Total Bonds Part 3				X X X	4,250,804	4,177,658.85	22,796	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	4,250,804	4,177,658.85	22,796	X X X
037833-10-0	Apple Inc		08/01/2011	BlackRock LC-C V/Merrill	18.000	7,164			L
N07059-18-6	ASML Hldg N.V. New York		08/11/2011	MFS Int'l/Merrill Lynch	172.000	5,914			L
071813-10-9	Baxter Interntl Inc		08/01/2011	BlackRock LC-C V/Merrill	127.000	7,405			L
072730-30-2	Bayer AG	R	09/20/2011	MFS Int'l/Merrill Lynch	82.000	4,386			L
055434-20-3	BG Group PLC	R	08/23/2011	MFS Int'l/Merrill Lynch	28.000	2,897			L
138006-30-9	Canon Inc		08/11/2011	MFS Int'l/Merrill Lynch	50.000	2,323			L
125269-10-0	CF Inds Hldgs Inc		08/29/2011	BlackRock LC-C V/Merrill	169.000	31,519			L
518439-10-4	Lauder Estee Cos Inc A		07/11/2011	BlackRock LC-C V/Merrill	119.000	12,460			L
544147-10-1	Lorillard Inc		09/19/2011	BlackRock LC-C V/Merrill	82.000	9,136			L
565849-10-6	Marathon Oil Corp		07/13/2011	Delaware/Merrill Lynch	565.000	18,206			L
637071-10-1	National-Oilwell Varco Inc		09/06/2011	BlackRock LC-C V/Merrill	171.000	10,676			L
632525-40-8	Natl Australia B ADR		09/21/2011	MFS Int'l/Merrill Lynch	175.000	3,960			L
780259-20-6	Royal Dutch Shell PLC	R	08/02/2011	MFS Int'l/Merrill Lynch	37.000	2,677			L
88706P-20-5	Tim Participaco/s ADR		09/20/2011	MFS Int'l/Merrill Lynch	160.000	4,347			L
88732J-20-7	TIME WARNER CABLE INC SHS		09/07/2011	VARIOUS	332.000	20,874			L
H89128-10-4	Tyco Intl Ltd Namen-AKT		09/06/2011	BlackRock LC-C V/Merrill	344.000	13,535			1FE
911271-30-2	Untd Overseas Bk Spn ADR		08/31/2011	MFS Int'l/Merrill Lynch	76.000	2,304			L

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

SCHEDULE D - PART 3

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

[illegible]

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)
31331V-J8-0	Federal Farm Cr Banks 5.375		07/18/2011	MATURITY		500,000	500,000.00	500,903	500,134		(134)		(134)		500,000				26,875	07/18/2011	1FE
313372-SK-1	Federal Home Ln Bk 1.5		08/25/2011	CALLED @ 100.000000		105,000	105,000.00	105,000							105,000				788	02/25/2014	1FE
31398A-TL-6	Federal Natl Mtg Assoc Nt 3.625		08/15/2011	MATURITY		60,000	60,000.00	61,707	61,238		(1,238)		(1,238)		60,000				2,175	08/15/2011	1FE
312945-ZD-3	FHLMC A9 740 4.0% 2041		09/15/2011	PRINCIPAL RECEIPT		689	689.30	724			(35)		(35)		689				2	02/01/2041	1FE
31368H-M4-2	FNMA P190379 05 50%2037		09/25/2011	PRINCIPAL RECEIPT		7,178	7,177.58	7,687	7,689		(512)		(512)		7,178				263	05/01/2037	1FE
31402C-PL-0	FNMA P725027 05%2033		09/25/2011	PRINCIPAL RECEIPT		14,438	14,438.16	15,395	15,399		(961)		(961)		14,438				482	11/01/2033	1FE
31403D-DX-4	FNMA P745418 05 50%2036		09/25/2011	PRINCIPAL RECEIPT		10,371	10,370.54	11,126	11,128		(758)		(758)		10,371				380	04/01/2036	1FE
31410F-VW-2	FNMA P888129 05 50%2037		09/25/2011	PRINCIPAL RECEIPT		7,234	7,234.18	7,747	7,750		(516)		(516)		7,234				265	02/01/2037	1FE
31410K-JY-1	FNMA P889579 06%2038		09/25/2011	PRINCIPAL RECEIPT		8,554	8,554.14	9,247	9,250		(696)		(696)		8,554				341	05/01/2038	1FE
31412P-RQ-6	FNMA P931195 04 50%2024		09/25/2011	PRINCIPAL RECEIPT		5,861	5,860.77	6,211	6,213		(352)		(352)		5,861				177	05/01/2024	1FE
31416B-TW-8	FNMA P995265 05 50%2024		09/25/2011	PRINCIPAL RECEIPT		6,210	6,209.62	6,743	6,744		(534)		(534)		6,210				227	01/01/2024	1FE
31418R-GS-4	FNMA PAD3808 04 50%2040		09/25/2011	PRINCIPAL RECEIPT		8,839	8,839.03	9,262	9,263		(424)		(424)		8,839				268	04/01/2040	1FE
912828-LG-3	US Treasury Nt 1%		08/01/2011	MATURITY		500,000	500,000.00	499,924	499,977		23		23		500,000				5,000	07/31/2011	1FE
912828-FU-9	US Treasury Nt 4.5		09/30/2011	MATURITY		500,000	500,000.00	530,041	507,533		(7,533)		(7,533)		500,000				22,500	09/30/2011	1FE
912828-FS-4	US Treasury Nt 4.625		08/31/2011	MATURITY		175,000	175,000.00	174,768	174,965		35		35		175,000				8,094	08/31/2011	1FE
912827-7B-2	US Treasury Nt 5%		08/15/2011	MATURITY		500,000	500,000.00	499,629	499,951		49		49		500,000				25,000	08/15/2011	1FE
0599999	Total - Bonds - U.S. Governments				X X X	2,409,374	2,409,373.32	2,446,114	2,317,234		(13,586)		(13,586)		2,409,374				92,837	X X X	X X X
166751-AK-3	Chevron Corp Nt 3.45%		09/03/2011	CALLED at 101.557		507,785	500,000.00	515,770	506,931		(3,954)		(3,954)		502,977		4,808	4,808	17,250	03/03/2012	1FE
172967-DU-2	Citigroup Inc Senior Nt 5.1		09/29/2011	MATURITY		500,000	500,000.00	504,550	500,774		(774)		(774)		500,000				25,500	09/29/2011	1FE
427866-AN-8	Hershey Co Nt 5.3		09/01/2011	MATURITY		400,000	400,000.00	403,720	400,561		(561)		(561)		400,000				21,200	09/01/2011	1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	1,407,785	1,400,000.00	1,424,040	1,408,266		(5,289)		(5,289)		1,402,977		4,808	4,808	63,950	X X X	X X X
8399997	Total - Bonds - Part 4				X X X	3,817,159	3,809,373.32	3,870,154	3,725,500		(18,875)		(18,875)		3,812,351		4,808	4,808	156,787	X X X	X X X
8399998	Summary Item from Part 5 for Bonds				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	Total Bonds				X X X	3,817,159	3,809,373.32	3,870,154	3,725,500		(18,875)		(18,875)		3,812,351		4,808	4,808	156,787	X X X	X X X
16945R-10-4	China Unicom Hong Kong Ltd	R	09/20/2011	MFS Int'l/Merrill Lynch	179.00	3,986		2,487	2,551	(64)			(64)		2,487		1,499	1,499			L
17275R-10-2	Cisco Sys Inc		09/06/2011	VARIOUS	488.00	7,364		9,071	9,872	(801)			(801)		9,071		(1,708)	(1,708)	59		L
18683K-10-1	Cliffs Natural Resource Inc		09/07/2011	BlackRock LC-C V/Merr	179.00	13,572		17,251							17,251		(3,678)	(3,678)			L
518439-10-4	Lauder Estee Cos Inc A		08/29/2011	VARIOUS	319.00	30,944		32,877							32,877		(1,933)	(1,933)			L
561641-10-1	Man AG Shs	R	08/12/2011	MFS Int'l/Merrill Lynch	691.00	6,333		6,180	8,188	(2,008)			(2,008)		6,180		153	153	147		L

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

SCHEDULE D - PART 4

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

[illegible]

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

NONE Schedule DB - Part A - Section 1

NONE Schedule DB - Part B - Section 1

NONE Schedule DB - Part D

NONE Schedule DL - Part 1

NONE Schedule DL - Part 2

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

[illegible]

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

[illegible]

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