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QUARTERLY STATEMENT

As of September 30, 2011

of the Condition and Affairs of the

National Interstate Insurance Company

NAIC Group Code.....84, 84 (Current Period) (Prior Period) | NAIC Company Code..... 32620 | Employer's ID Number..... 34-1607395

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

Incorporated/Organized..... February 10, 1989 | Commenced Business..... March 28, 1989

Statutory Home Office	3250 Interstate Drive….. Richfield ..... OH ..... 44286 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	3250 Interstate Drive….. Richfield ..... OH ..... 44286 *(Street and Number) (City or Town, State and Zip Code)*	800-929-1500 *(Area Code) (Telephone Number)*
Mail Address	3250 Interstate Drive….. Richfield ..... OH ..... 44286 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	3250 Interstate Drive….. Richfield ..... OH ..... 44286 *(Street and Number) (City or Town, State and Zip Code)*	800-929-1500 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.nationalinterstate.com	
Statutory Statement Contact	Julie Ann McGraw *(Name)*	330-659-8900 -1272 *(Area Code) (Telephone Number) (Extension)*
	julie.mcgraw@natl.com *(E-Mail Address)*	330-659-8904 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. David Warner Michelson	President	2. Arthur Jeffrey Gonzales	VP/Secretary/General Counsel
3. Julie Ann McGraw	VP, CFO & Treasurer	4. Terry Eugene Phillips	Senior Vice President

OTHER

Gary Norman Monda	Vice President	James Allan Parks	Vice President
Anthony Joseph Mercurio	Vice President	John Lloyd Woods	Vice President
Terri Kaye Johnson	Vice President	Bradford Lee Scofield	Vice President
Robert Adrian Bernatchez	Vice President		

DIRECTORS OR TRUSTEES

Alan Robert Spachman	Gary Norman Monda	David Warner Michelson	Michelle Ann Silvestro
Terry Eugene Phillips	Ronald George Steiger Jr.	Edward Jeffrey Masch	James Allan Parks
Anthony Joseph Mercurio	Terri Kaye Johnson	Bradford Lee Scofield	Julie Ann McGraw
John Lloyd Woods	Arthur Jeffrey Gonzales	Pamela Lee McDermid	Robert Adrian Bernatchez
Tanya Marie Inama #	George Olaf Skuggen #	Dale Alan Willis #	Stephen Edward Winborn #

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

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

(Signature)	(Signature)	(Signature)
David Warner Michelson	Arthur Jeffrey Gonzales	Julie Ann McGraw
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	VP/Secretary/General Counsel	VP, CFO & Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 31st day of October

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	599,610,196		599,610,196	410,583,469
2. Stocks:				
2.1 Preferred stocks	5,495,764		5,495,764	7,652,732
2.2 Common stocks	194,348,284		194,348,284	172,059,591
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)	15,634,337		15,634,337	15,887,822
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....(15,857,570)), cash equivalents ($..........0) and short-term investments ($.....13,707,323)	(2,150,247)		(2,150,247)	7,353,082
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets	13,462,175		13,462,175	13,832,721
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	826,400,509	0	826,400,509	627,369,417
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	5,724,662		5,724,662	3,495,588
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	11,098,933	1,156,739	9,942,193	13,354,505
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	114,191,343	193,712	113,997,631	88,454,948
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
161. Amounts recoverable from reinsurers	6,121,914		6,121,914	5,031,367
16.2 Funds held by or deposited with reinsured companies	760,232		760,232	1,162,596
16.3 Other amounts receivable under reinsurance contracts	493,174		493,174	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	7,208,573		7,208,573	4,653,731
18.2 Net deferred tax asset	27,267,628	2,762,721	24,504,907	19,105,446
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	1,285,500		1,285,500	851,149
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	10,088,496		10,088,496	17,011,664
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	3,160,531	714,758	2,445,773	19,072,801
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	1,013,801,496	4,827,931	1,008,973,565	799,563,212
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	1,013,801,496	4,827,931	1,008,973,565	799,563,212

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Receivable from insureds for deductible payments	724,595	10,522	714,073	824,812
2502. Prepaid expenses	671,154	671,154	0	
2503. Miscellaneous receivable	343,715		343,715	523,007
2598. Summary of remaining write-ins for Line 25 from overflow page	1,421,067	33,082	1,387,985	17,724,981
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	3,160,531	714,758	2,445,773	19,072,801

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Losses (current accident year $.....66,375,632)	274,024,687	148,644,616
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	65,318,973	46,600,049
4.	Commissions payable, contingent commissions and other similar charges	8,118,640	7,953,789
5.	Other expenses (excluding taxes, licenses and fees)	6,304,068	10,820,252
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	4,268,608	4,698,593
7.1	Current federal and foreign income taxes (including $..........0 on realized capital gains (losses))		
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 $.....119,062,911 and including warranty reserves of $..........0)	121,201,825	106,142,942
10.	Advance premium	769,735	959,753
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	16,939,772	9,479,588
13.	Funds held by company under reinsurance treaties	192,607,485	166,330,288
14.	Amounts withheld or retained by company for account of others	15,529,224	14,059,123
15.	Remittances and items not allocated	2,667,449	1,784,183
16.	Provision for reinsurance	1,094,475	1,322,257
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	13,026,693	7,038,476
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $..........0 and interest thereon $..........0		
25.	Aggregate write-ins for liabilities	3,646,375	82,444
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	725,518,010	525,916,352
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	725,518,010	525,916,352
29.	Aggregate write-ins for special surplus funds	3,692,056	622,241
30.	Common capital stock	3,000,000	3,000,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	32,108,779	32,108,779
35.	Unassigned funds (surplus)	244,654,721	237,915,840
36.	Less treasury stock, at cost:		
	36.1 ....0.000 shares common (value included in Line 30 $..........0)		
	36.2 ....0.000 shares preferred (value included in Line 31 $..........0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36)	283,455,555	273,646,860
38.	Totals	1,008,973,565	799,563,212

DETAILS OF WRITE-INS

2501.	Unearned rental income	34,394	82,444
2502.	Payable for balance sheet guarantee	3,611,981	
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	3,646,375	82,444
2901.	Implementation of SSAP 10R	3,692,056	622,241
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	3,692,056	622,241
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....303,733,894)	274,782,877	246,821,390	337,414,898
1.2 Assumed (written $.....137,194,547)	93,663,586	17,396,039	23,948,588
1.3 Ceded (written $.....242,904,870)	185,482,222	104,216,497	143,261,906
1.4 Net (written $.....198,023,572)	182,964,241	160,000,932	218,101,579
DEDUCTIONS:			
2. Losses incurred (current accident year $.....101,604,024):			
2.1 Direct	162,772,680	123,757,338	183,390,044
2.2 Assumed	53,584,909	10,348,892	14,595,691
2.3 Ceded	118,284,754	55,481,059	88,188,730
2.4 Net	98,072,835	78,625,172	109,797,005
3. Loss adjustment expenses incurred	20,393,198	15,770,336	22,444,747
4. Other underwriting expenses incurred	57,816,571	55,750,547	72,658,789
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	176,282,604	150,146,055	204,900,541
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	6,681,637	9,854,878	13,201,038
INVESTMENT INCOME			
9. Net investment income earned	13,871,584	13,295,870	17,893,886
10. Net realized capital gains (losses) less capital gains tax of $.....642,972	1,047,957	1,724,756	1,740,597
11. Net investment gain (loss) (Lines 9 + 10)	14,919,541	15,020,627	19,634,483
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $..........0 amount charged off $..........0)	0		
13. Finance and service charges not included in premiums	380,790	371,448	507,691
14. Aggregate write-ins for miscellaneous income	(2,172,931)	(1,981,488)	(2,692,552)
15. Total other income (Lines 12 through 14)	(1,792,141)	(1,610,040)	(2,184,861)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	19,809,037	23,265,465	30,650,660
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)	19,809,037	23,265,465	30,650,660
19. Federal and foreign income taxes incurred	11,335,020	8,732,978	10,793,157
20. Net income (Line 18 minus Line 19) (to Line 22)	8,474,017	14,532,487	19,857,504
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	273,646,860	238,390,295	238,390,295
22. Net income (from Line 20)	8,474,017	14,532,487	19,857,504
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $.....4,454,105	447,914	3,832,110	12,372,269
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	3,680,204	3,403,364	2,162,999
27. Change in nonadmitted assets	(6,091,037)	313,269	2,952,019
28. Change in provision for reinsurance	227,782	(819,577)	(1,192,037)
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			0
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus	3,069,815	131,404	(896,188)
38. Change in surplus as regards policyholders (Lines 22 through 37)	9,808,696	21,393,056	35,256,565
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	283,455,555	259,783,351	273,646,860

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other	799,878	794,615	1,047,731
1402. Interest on funds held	(2,972,809)	(2,776,103)	(3,740,283)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(2,172,931)	(1,981,488)	(2,692,552)
3701. Implementation of SSAP 10R	3,069,815	131,404	(896,188)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	3,069,815	131,404	(896,188)

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	182,784,307	161,320,172	217,649,772
2. Net investment income	14,909,347	16,069,963	21,332,860
3. Miscellaneous income	(1,792,141)	(1,610,040)	(2,184,861)
4. Total (Lines 1 through 3)	195,901,513	175,780,095	236,797,772
5. Benefit and loss related payments	(26,125,879)	66,796,890	86,583,890
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	64,272,161	63,002,297	84,443,307
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....642,972 tax on capital gains (losses)	14,560,707	11,431,741	13,101,741
10. Total (Lines 5 through 9)	52,706,989	141,230,928	184,128,938
11. Net cash from operations (Line 4 minus Line 10)	143,194,524	34,549,168	52,668,834
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	134,499,242	307,358,416	337,502,894
12.2 Stocks	8,634,050	506,399	4,112,165
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)	143,133,291	307,864,815	341,615,059
13. Cost of investments acquired (long-term only):			
13.1 Bonds	328,859,009	210,961,094	269,106,742
13.2 Stocks	28,290,767	122,107,256	122,392,508
13.3 Mortgage loans			
13.4 Real estate	100,030	77,769	138,706
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	357,249,806	333,146,119	391,637,956
14. Net increase (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(214,116,515)	(25,281,304)	(50,022,897)
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			0
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)	61,418,661	(4,837,530)	2,593,303
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	61,418,661	(4,837,530)	2,593,303
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(9,503,330)	4,430,333	5,239,240
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	7,353,082	2,113,842	2,113,842
19.2 End of period (Line 18 plus Line 19.1)	(2,150,247)	6,544,176	7,353,082

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

20.0001			

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

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

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

D. Loan-Backed Securities

1. The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.

2. The Company does not have any loan-backed securities with an other-than-temporary impairment for which it has the intent to sell or the inability or lack of intent to retain the investment in the security.

3. The were no securities with an other-than-temporary ("OTTI") impairment recognized in 2011.

4. The following table shows all loan-backed securities with an unrealized loss:

Less than 12 months		12 months or more	
Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
$ 18,923,997	$ (229,459)	$ 8,779,820	$ (2,725,993)

5. Based on cash flow projections received from external sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses at September 30, 2011. The Company has the intent to hold such securities until they recover in value or mature.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

E. Other Contingencies

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

Note 15 - Leases

No significant change.

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

No significant change.

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

C. Wash Sales

Not applicable.

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

No significant change.

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

No significant change.

Note 20 - Fair Value

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Fair Value Measurements by Level 1, 2 and 3

Under fair value accounting, the Company must determine the appropriate level in the fair value hierarchy for each fair value measurement. The fair value hierarchy prioritizes the inputs, which refer broadly to assumptions market participants would use in pricing an asset or liability, into three levels. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair values for our investment portfolio are reviewed by company personnel using data from nationally recognized pricing services as well as non-binding broker quotes.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical securities that the reporting entity has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices (unadjusted) in active markets for identical securities that are observable for the security, either directly or indirectly. Level 2 inputs include quoted prices for similar securities in active markets, quoted prices for identical or similar securities that are not active and observable inputs other than quoted prices, such as interest rate and yield curves.

Level 3 inputs are unobservable inputs for the asset or liability.

The following table provides information as of September 30, 2011 about the Company's investments measured at fair value.

Description	Level 1	Level 2	Level 3	Total
Bonds				
State and local government	$ -	$ -	$ 432,450	$ 432,450
Industrial and misc	-	28,484,029	-	28,484,029
Residential mortgage backed securities	-	1,921,436	-	1,921,436
Trust preferred securities	-	1,923,028	-	1,923,028
Total bonds	$ -	$ 32,328,493	$ 432,450	$ 32,760,943
Preferred stock				
Industrial and misc	$ -	$ 190,617	$ 467,150	$ 657,767
Total preferred stocks	$ -	$ 190,617	$ 467,150	$ 657,767
Common stock				
Industrial and misc	$ 15,316,251	$ 14	$ -	$ 15,316,265
Mutual funds	10,975,851	-	-	10,975,851
Total common stocks	$ 26,292,102	$ 14	$ -	$ 26,292,116
Totals	$ 26,292,102	$ 32,519,124	$ 899,600	$ 59,710,826

The following table provides information as of December 31, 2010 about the Company's investments measured at fair value.

Description	Level 1	Level 2	Level 3	Total
Bonds				
State and local government	$ -	$ -	$ 462,858	$ 462,858
Industrial and misc	-	3,703,848	-	3,703,848
Residential mortgage backed securities	-	2,513,264	-	2,513,264
Total bonds	$ -	$ 6,217,112	$ 462,858	$ 6,679,970
Preferred stock				
Industrial and misc	$ -	$ 1,027,929	$ 2,429,350	$ 3,457,279
Total preferred stocks	$ -	$ 1,027,929	$ 2,429,350	$ 3,457,279
Common stock				
Industrial and misc	$ 3,396,979	$ 22,000	$ -	$ 3,418,979
Mutual funds	11,877,708	-	-	11,877,708
Total common stocks	$ 15,274,687	$ 22,000	$ -	$ 15,296,687
Totals	$ 15,274,687	$ 7,267,041	$ 2,892,208	$ 25,433,936

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below. There were no significant transfers between Level 1 and Level 2 during the period ended September 30, 2011.

2. Rollforward of Level 3 Items

The following table presents a reconciliation of the beginning and ending balances for investments measured at fair value using level 3 inputs for the period ended September 30, 2011.

	State and Local Government	Industrial and Misc Preferred Stocks
Beginning balance at July 1, 2011	$ 449,885	$ 446,900
Transfers into Level 3	-	-
Transfers out of Level 3 (a)	-	-
Total gains or (losses):		
Included in earnings	-	-
Included in other comprehensive income	(17,435)	20,250
Purchases and issuances	-	-
Sales, settlements and redemptions	-	-
Ending balance at September 30, 2011	$ 432,450	$ 467,150

NOTES TO FINANCIAL STATEMENTS

The following table presents a reconciliation of the beginning and ending balances for investments measured at fair value using level 3 inputs for the year ended September 30, 2011.

	State and Local Government	Industrial and Misc Preferred Stocks
Beginning balance at January 1, 2011	$ 462,858	$ 2,429,350
Transfers into Level 3	-	-
Transfers out of Level 3 (a)	-	-
Total gains or (losses):		
Included in earnings	-	-
Included in other comprehensive income	(30,408)	37,800
Purchases and issuances	-	-
Sales, settlements and redemptions	-	(2,000,000)
Ending balance at September 30, 2011	$ 432,450	$ 467,150

3. Policy on Transfers Into and Out of Level 3

   At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. The Company's policy is to recognize transfers in and transfers out as of the end of the reporting period.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

   The pricing services use a variety of observable inputs to estimate the fair value of fixed maturities that do not trade on a daily basis. These inputs include, but are not limited to, recent reported trades, benchmark yields, issuer spreads, bids or offers, reference data and measures of volatility. Included in the pricing of mortgage-backed securities are estimates of the rate of future prepayments and defaults of principal over the remaining life of the underlying collateral. Inputs from brokers and independent financial institutions include, but are not limited to, yields or spreads of comparable investments which have recent trading activity, credit quality, duration, credit enhancements, collateral value and estimated cash flows based on inputs including delinquency rates, estimated defaults and losses, and estimates of the rate of future prepayments. Valuation techniques utilized by pricing services and values obtained from brokers and independent financial institutions are reviewed by company personnel who are familiar with the securities being priced and the markets in which they trade to ensure that the fair value determination is representative of an exit price, as defined by accounting standards.

   Level 2 primarily consists of financial instruments whose fair value is based on quoted prices in markets that are not active and includes certain publicly traded unaffiliated common stock, corporate obligations, mortgage backed securities, and perpetual preferred stocks that are not actively traded. Level 3 consists of financial instruments that are not traded in an active market, whose fair value is estimated by management based on inputs from independent financial institutions, which include non-binding broker quotes, for which the Company believes reflects fair value, but are unable to verify inputs to the valuation methodology. The Company obtained one quote or price per instrument from our brokers and pricing services and did not adjust any quotes or prices that were obtained. Management reviews these broker quotes using information such as the market prices of similar investments. The Company primarily uses the market approach valuation technique for all investments.

5. Derivative Fair Values

   Not applicable.

B. This Disclosure Removed by NAIC December, 2010.

C. Other Fair Value Disclosures

   Not applicable.

D. Reasons Not Practical to Estimate Fair Values

   Not applicable.

Note 21 - Other Items

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2010 were $195,244,665. As of September 30, 2011, $79,291,377 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $255,371,358. The increase in outstanding losses and LAE as compared to prior year is a result of the Company and affiliates entering into an inter-company pooling arrangement with Vanliner Insurance Company effective January 1, 2011. The impact to prior year reserves was an increase of $147,054,204 for assuming the initial reserves effective with the implementation of the new pooling agreement. There has been $7,636,134 favorable prior year development since December 31, 2010. The increase in incurred claims and claims adjustment expenses are generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

Effective January 1, 2011, the Company entered into an amended pooling agreement with its insurance subsidiaries, National Interstate Insurance Company of Hawaii (NIIC-HI), Triumphe Casualty Company (TCC) and Vanliner Insurance Company (VIC).

The following summarizes the participation percentages:

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

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

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 31 - High Deductibles

No significant change.

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

No significant change.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

No significant change.

Note 35 - Multiple Peril Crop Insurance

No significant change.

Note 36 - Financial Guaranty Insurance

B. Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [X] No [ ]

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

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

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

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

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

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010......................

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

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/18/2011......................

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

		1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21	Bonds	$ 0	$ 0
14.22	Preferred Stock	$ 0	$ 0
14.23	Common Stock	$ 156,762,904	$ 168,056,168
14.24	Short-Term Investments	$ 0	$ 0
14.25	Mortgage Loans on Real Estate	$ 0	$ 0
14.26	All Other	$ 0	$ 0
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 156,762,904	$ 168,056,168
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
Key Bank	PO Box 6717 Cleveland, OH 44101

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
Key Bank	Fort Washington Investment Advisors, Inc.	303 Broadway, Suite 1200 Cincinnati, OH 45202
Key Bank	Elessar Investment Management	1111 Superior Ave., Suite 1310 Cleveland,OH 44114

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

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2

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

   If yes, attach an explanation.

   Effective January 1, 2011, the pooling agreement was amended and restated to include Vanliner Insurance Company. The Company's participation percentage has changed from 96 percent to 70 percent.

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? Yes [ ] No [X]

   If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

   5.1 A&H loss percent 51.9 %

   5.2 A&H cost containment percent 12.8 %

   5.3 A&H expense percent excluding cost containment expenses 39.1 %

6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0

6.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)
Affiliates				
21172	86-0114294	Vanliner Ins Co	MO	YES
All Other Insurers				
00000	AA-3194130	Endurance Specialty Ins Ltd	BM	NO
00000	AA-1126566	Lloyd's of London Syndicate #0566	GB	YES
00000	AA-1127400	Lloyd's of London Syndicate #1400	GB	YES
00000	AA-1120084	Lloyd's of London Syndicate #1955	GB	YES
00000	AA-3194129	Montpelier Reins Ltd	BM	NO
00000	AA-3190838	Tokio Millenium Re Ltd	BM	NO

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	3,283,972	3,479,596	2,677,728	1,652,680	5,222,654	5,160,997
2. Alaska AK	L	3,056,901	2,623,712	1,184,150	345,095	2,763,548	1,820,883
3. Arizona AZ	L	4,281,918	4,485,855	1,307,185	2,493,053	5,602,515	4,203,824
4. Arkansas AR	L	2,701,803	788,956	488,095	204,481	877,361	727,731
5. California CA	L	43,275,671	36,909,234	17,635,915	22,139,244	69,838,807	61,398,047
6. Colorado CO	L	2,246,310	2,229,280	1,411,399	688,943	2,761,464	2,728,781
7. Connecticut CT	L	8,211,034	6,772,593	3,293,904	1,613,795	10,124,864	8,292,834
8. Delaware DE	L	6,886,713	6,878,722	7,584,804	1,489,069	8,069,487	10,808,667
9. District of Columbia DC	L	249	238	-	425	9,643	2,473
10. Florida FL	L	15,367,061	12,801,761	7,609,062	5,601,187	16,415,819	14,529,966
11. Georgia GA	L	5,466,717	4,860,337	1,316,011	6,560,183	5,167,478	3,773,213
12. Hawaii HI	L	11,325,794	12,241,090	3,138,011	4,021,617	16,907,140	19,501,899
13. Idaho ID	L	3,131,348	3,021,911	548,521	200,521	2,119,019	1,187,075
14. Illinois IL	L	6,722,257	6,436,030	4,000,736	2,242,089	11,491,179	9,736,057
15. Indiana IN	L	3,438,838	3,795,087	1,976,443	1,016,254	5,837,854	5,680,438
16. Iowa IA	L	7,867,835	6,444,790	1,791,509	1,170,729	5,365,919	3,142,121
17. Kansas KS	L	3,311,860	3,136,561	879,446	886,464	3,707,593	3,263,049
18. Kentucky KY	L	1,273,587	926,482	373,352	458,597	1,245,903	1,257,322
19. Louisiana LA	L	2,719,089	2,496,959	1,370,789	1,867,889	3,584,002	3,063,621
20. Maine ME	L	420,700	416,692	311,013	97,656	474,299	430,849
21. Maryland MD	L	2,944,558	3,049,067	1,567,509	1,313,349	3,749,672	3,742,510
22. Massachusetts MA	L	9,410,323	10,337,828	5,354,845	3,756,142	16,931,860	13,573,497
23. Michigan MI	L	10,064	7,041	(125)	(2,334)	(237)	22,720
24. Minnesota MN	L	3,426,134	3,170,446	1,388,589	5,776,862	3,623,348	4,622,133
25. Mississippi MS	L	2,117,997	1,906,831	1,640,287	565,930	2,887,216	2,572,891
26. Missouri MO	L	7,471,719	6,912,178	2,572,773	1,572,341	8,742,607	6,193,420
27. Montana MT	L	4,228,424	4,452,306	3,930,239	2,591,439	4,944,132	5,376,295
28. Nebraska NE	L	3,031,561	2,841,041	776,606	822,058	3,550,600	3,750,864
29. Nevada NV	L	3,820,068	3,447,324	863,089	1,038,889	4,500,509	3,419,629
30. New Hampshire NH	L	2,135,068	2,415,497	2,797,922	1,089,984	2,847,020	3,726,136
31. New Jersey NJ	L	68,832	68,076	120,052	103,765	572,259	759,676
32. New Mexico NM	L	832,068	834,324	190,172	361,501	679,341	587,512
33. New York NY	L	22,654,025	19,517,709	4,290,301	3,573,470	27,603,860	20,924,660
34. North Carolina NC	L	15,602,210	14,570,411	8,122,327	7,672,329	22,241,966	22,986,239
35. North Dakota ND	L	753,710	524,734	808,397	246,642	1,104,613	1,399,651
36. Ohio OH	L	11,069,520	8,518,200	5,125,943	3,772,948	11,858,190	12,240,917
37. Oklahoma OK	L	3,565,428	2,948,895	1,516,010	2,200,745	3,361,522	3,429,278
38. Oregon OR	L	1,505,061	1,253,315	662,379	596,195	1,966,334	1,148,790
39. Pennsylvania PA	L	18,286,275	13,540,001	5,696,150	3,716,794	19,685,424	15,118,310
40. Rhode Island RI	L	558,404	400,744	94,697	131,903	720,252	635,971
41. South Carolina SC	L	1,777,208	1,131,056	613,425	1,742,678	1,894,005	2,107,697
42. South Dakota SD	L	1,137,938	1,439,045	1,491,204	818,219	693,933	1,003,279
43. Tennessee TN	L	5,602,220	4,730,475	3,516,429	2,109,022	7,317,032	5,105,813
44. Texas TX	L	27,985,752	34,075,591	20,584,859	12,012,777	47,284,382	38,774,822
45. Utah UT	L	3,594,167	3,182,673	495,648	417,644	3,804,880	2,864,379
46. Vermont VT	L	963,328	1,043,040	461,179	246,863	1,589,500	1,150,178
47. Virginia VA	L	5,908,418	4,442,349	1,500,637	2,656,278	5,135,751	4,940,423
48. Washington WA	L	2,516,062	1,740,189	743,249	769,562	1,819,428	1,844,111
49. West Virginia WV	L	272,090	18,385	20,336	691,683	332,033	499,050
50. Wisconsin WI	L	5,246,290	4,411,646	1,107,610	831,413	7,818,249	6,385,940
51. Wyoming WY	L	249,315	190,341	30,898	42,008	449,795	543,996
52. American Samoa AS	N						
53. Guam GU	N						
54. Puerto Rico PR	N						
55. US Virgin Islands VI	N						
56. Northern Mariana Islands MP	N						
57. Canada CN	N						
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
59. Totals	(a) 51	303,733,894	277,866,644	136,981,708	117,989,070	397,296,024	352,160,634

DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART

NONE

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire	-		0.0	
2. Allied lines	1,533,566	781,462	51.0	27.7
3. Farmowners multiple peril	-		0.0	
4. Homeowners multiple peril	-		0.0	
5. Commercial multiple peril	721,145	35,435	4.9	(34.6)
6. Mortgage guaranty	-		0.0	
8. Ocean marine	-	(50,187)	0.0	28.1
9. Inland marine	4,025,126	2,732,836	67.9	43.4
10. Financial guaranty	-		0.0	
11.1. Medical professional liability - occurrence	-		0.0	
11.2. Medical professional liability - claims-made	-		0.0	
12. Earthquake	1,051	154	14.7	
13. Group accident and health	-		0.0	
14. Credit accident and health	-		0.0	
15. Other accident and health	584,986	297,381	50.8	56.7
16. Workers' compensation	50,755,478	30,994,752	61.1	57.4
17.1 Other liability-occurrence	15,202,489	6,053,316	39.8	19.5
17.2 Other liability-claims made	1,334,447	1,044,151	78.2	151.2
17.3 Excess workers' compensation	14,667		0.0	
18.1 Products liability-occurrence	-		0.0	
18.2 Products liability-claims made	-		0.0	
19.1, 19.2 Private passenger auto liability	3,904,159	2,488,778	63.7	76.2
19.3, 19.4 Commercial auto liability	150,094,156	84,477,261	56.3	48.9
21. Auto physical damage	46,565,042	33,916,809	72.8	53.1
22. Aircraft (all perils)	-		0.0	
23. Fidelity	-		0.0	
24. Surety	36,540		0.0	
26. Burglary and theft	1,854	532	28.7	
27. Boiler and machinery	8,171		0.0	
28. Credit	-		0.0	
29. International	-		0.0	
30. Warranty	-		0.0	
31. Reinsurance-nonproportional assumed property	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	
35. Totals	274,782,877	162,772,680	59.2	50.1
DETAILS OF WRITE-INS				
3401.			0.0	
3402.			0.0	
3403.			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34)	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	-	-	
2. Allied lines	723,905	1,792,657	1,411,106
3. Farmowners multiple peril	-	-	
4. Homeowners multiple peril	-	-	
5. Commercial multiple peril	310,259	790,512	748,503
6. Mortgage guaranty	-	-	
8. Ocean marine	-	-	(148)
9. Inland marine	1,017,947	3,968,448	3,091,091
10. Financial guaranty	-	-	
11.1 Medical professional liability - occurrence	-	-	
11.2 Medical professional liability - claims made	-	-	
12. Earthquake	4,650	5,400	
13. Group accident and health	-	-	
14. Credit accident and health	-	-	
15. Other accident and health	698,616	698,616	450,000
16. Workers' compensation	15,640,224	52,696,936	45,524,248
17.1 Other liability-occurrence	6,481,554	19,152,154	13,427,756
17.2 Other liability-claims made	26,953	797,210	900,028
17.3 Excess workers' compensation	22,000	22,000	
18.1 Products liability-occurrence	-	-	
18.2 Products liability-claims made	-	-	
19.1 19.2 Private passenger auto liability	1,124,757	3,810,616	4,432,882
19.3 19.4 Commercial auto liability	43,517,565	170,351,453	156,408,016
21. Auto physical damage	14,350,115	49,593,099	51,463,424
22. Aircraft (all perils)	-	-	
23. Fidelity	-	-	
24. Surety	23,244	29,656	9,739
26. Burglary and theft	8,175	9,556	
27. Boiler and machinery	4,852	15,581	
28. Credit	-	-	
29. International	-	-	
30. Warranty	-	-	
31. Reinsurance-nonproportional assumed property	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. Totals	83,954,816	303,733,894	277,866,645
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2011 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + Prior	57,610	61,978	119,588	27,898	153	28,051	38,978	269	51,156	90,403	9,266	(10,400)	(1,134)
2. 2009	30,116	57,740	87,856	15,948	260	16,208	22,648	383	44,379	67,410	8,480	(12,718)	(4,238)
3. Subtotals 2009 + Prior	87,726	119,718	207,444	43,846	413	44,259	61,626	652	95,535	157,813	17,746	(23,118)	(5,372)
4. 2010	39,947	94,907	134,854	32,378	2,655	35,033	28,526	1,827	67,205	97,558	20,957	(23,220)	(2,263)
5. Subtotals 2010 + Prior	127,673	214,625	342,298	76,224	3,068	79,292	90,152	2,479	162,740	255,371	38,703	(46,338)	(7,635)
6. 2011	XXX	XXX	XXX	XXX	42,130	42,130	XXX	26,843	57,130	83,973	XXX	XXX	XXX
7. Totals	127,673	214,625	342,298	76,224	45,198	121,422	90,152	29,322	219,870	339,344	38,703	(46,338)	(7,635)
8. Prior Year-End's Surplus As Regards Policyholders	273,647										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. 30.3 %	2. (21.6)%	3. (2.2)%
													Col. 13, Line 7 Line 8
													4. (2.8)%

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.
2.
3.
4.

Bar Code:

* 3 2 6 2 0 2 0 1 1 4 9 0 0 0 0 0 3 *

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

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

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

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Commission receivable	1,421,067	33,082	1,387,985	1,045,377
2505. Amounts refundable on purchase price of Vanliner			0	14,255,969
2506. Receivable for balance sheet guarantee			0	2,423,635
2597. Summary of remaining write-ins for Line 25	1,421,067	33,082	1,387,985	17,724,981

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	15,887,822	16,208,112
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition	100,030	138,706
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	353,514	458,996
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	15,634,337	15,887,822
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	15,634,337	15,887,822

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	13,832,721	12,972,009
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)	(370,546)	860,712
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)	13,462,175	13,832,721
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	13,462,175	13,832,721

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	590,295,792	525,914,906
2. Cost of bonds and stocks acquired	357,149,776	391,499,250
3. Accrual of discount	331,023	555,305
4. Unrealized valuation increase (decrease)	(3,635,639)	13,927,245
5. Total gain (loss) on disposals	1,837,064	3,199,244
6. Deduct consideration for bonds and stocks disposed of	143,133,291	341,615,059
7. Deduct amortization of premium	3,244,345	2,846,186
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	146,134	338,912
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	799,454,245	590,295,792
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	799,454,245	590,295,792

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)	505,454,465	59,666,965	57,210,236	(2,546,893)	375,136,753	505,454,465	505,364,301	374,184,286
2. Class 2 (a)	57,649,795	8,899,466		(1,066,767)	42,198,875	57,649,795	65,482,495	36,216,299
3. Class 3 (a)	11,463,883	805,875	599,317	1,761,803	5,827,832	11,463,883	13,432,244	5,389,383
4. Class 4 (a)	28,217,152	1,281,214	810,059	(2,247,124)	17,082,835	28,217,152	26,441,183	13,402,867
5. Class 5 (a)	1,343,036			171,775	457,509	1,343,036	1,514,811	209,630
6. Class 6 (a)	1,200,492		37,240	(80,766)	1,263,874	1,200,492	1,082,484	1,336,332
7. Total Bonds	605,328,823	70,653,520	58,656,852	(4,007,971)	441,967,677	605,328,823	613,317,519	430,738,796
PREFERRED STOCK								
8. Class 1	999,703			139	1,399,129	999,703	999,842	1,398,990
9. Class 2	3,238,097			(25,090)	3,232,330	3,238,097	3,213,007	3,214,562
10. Class 3	187,600				187,600	187,600	187,600	185,000
11. Class 4	223,118			(32,501)	262,754	223,118	190,617	
12. Class 5	13,371				13,371	13,371	13,371	13,371
13. Class 6	871,076			20,250	2,846,976	871,076	891,326	2,840,810
14. Total Preferred Stock	5,532,966	0	0	(37,202)	7,942,160	5,532,966	5,495,764	7,652,732
15. Total Bonds and Preferred Stock	610,861,789	70,653,520	58,656,852	(4,045,173)	449,909,836	610,861,789	618,813,283	438,391,529

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	13,707,323	XXX	13,707,323	222	

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	20,155,328	9,985,194
2. Cost of short-term investments acquired	46,072,564	118,662,322
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	52,520,569	108,489,366
7. Deduct amortization of premium		2,822
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	13,707,323	20,155,328
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	13,707,323	20,155,328

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

Sch. E-Verification
NONE

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

Statement for September 30, 2011 of the **National Interstate Insurance Company**

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
31331J AW 3	FEDERAL FARM CREDIT BANK AGENCY 4.150 JJ 01/07/2019		08/26/2011	BNY MELLON CAPITAL		268,599	237,000	1,339	1
31331X DE 9	FEDERAL FARM CREDIT BANK AGENCY 5.000 MN 11/07/2016		09/29/2011	CLARKE (G.X.) & CO.		32,744	28,000	552	1
31331Y HQ 6	FEDERAL FARM CREDIT BANK AGENCY 4.625 JD 12/15/2017		08/29/2011	MORGAN STANLEY		109,739	94,000	906	1
313370 SZ 2	FEDERAL HOME LOAN BANK AGENCY 2.250 MS 09/08/2017		09/26/2011	CLARKE (G.X.) & CO.		515,201	498,000	591	1
313370 TH 1	FEDERAL HOME LOAN BANK AGENCY 1.000 MS 09/09/2013		08/29/2011	MORGAN STANLEY		3,275,688	3,275,000	15,556	1
3133XE UG 2	FEDERAL HOME LOAN BANK AGENCY 4.875 MS 03/11/2016		09/26/2011	CLARKE (G.X.) & CO.		525,436	452,000	979	1
3136FP EQ 6	FANNIE MAE AGENCY 1.850 MS 09/09/2015		08/26/2011	JP MORGAN		5,002,375	5,000,000	43,681	1
3136FP QD 2	FANNIE MAE AGENCY 1.500 AO 04/14/2015		09/21/2011	MORGAN STANLEY		5,004,120	5,000,000	32,917	1
3136FP XT 9	FANNIE MAE AGENCY 2.150 MN 05/18/2017		09/21/2011	CLARKE (G.X.) & CO.		5,982,537	5,965,000	44,174	1
3136FP YB 7	FANNIE MAE AGENCY 2.050 MN 05/23/2017		07/26/2011	CLARKE (G.X.) & CO.		233,181	235,000	856	1
88059F AZ 4	TENN VALLEY AUTH AGENCY 0.000 JD 12/15/2017		09/27/2011	WELLS FARGO		600,304	679,000		1
0599999.	Total - Bonds - U.S. Government					21,549,925	21,463,000	141,551	XXX
Bonds - U.S. Special Revenue and Special Assessment									
20774W G9 6	CONNECTICUT ST HSG MUNICIPAL 4.000 MN 11/15/2040		07/22/2011	JP MORGAN		2,081,660	2,000,000		1FE
222734 AS 4	COURTLAND AL INDL MUNICIPAL 5.200 JD 06/01/2025		09/22/2011	ANCORA ADVISORS LLC		1,937,000	2,000,000	33,511	2FE
3136A0 DT 1	FANNIE MAE CMO 3.500 MTH 12/01/2019		07/25/2011	CANTOR		2,750,203	2,700,000	7,350	1
31397U RJ 0	FANNIE MAE CMO 3.500 MTH 02/01/2022		07/22/2011	ANCORA ADVISORS LLC		2,115,792	2,049,504	5,181	1
38373A D9 4	GOVT NATIONAL MORTGAGE ASSOC CMO 4.000 MTH 03/01/2028		08/18/2011	CANTOR		456,490	434,042	1,061	1
38376E VJ 1	GOVT NAT MORTGAGE ASSOC CMO 4.000 MTH 07/01/2022		08/16/2011	CANTOR		1,411,666	1,347,351	2,695	1
38377K FN 5	GOVT NATIONAL MORT ASSOC CMO 3.500 MTH 01/01/2018		09/19/2011	ANCORA ADVISORS LLC		902,025	855,000	1,746	1
455254 FC 1	INDIANAPOLIS IN ARPT MUNICIPAL 5.100 JJ 01/15/2017		08/25/2011	ANCORA ADVISORS LLC		3,358,500	3,000,000	19,125	2FE
63967C N6 5	NEBRASKA INVT HSG MUNICIPAL 4.400 MS 03/01/2020		09/27/2011	ANCORA ADVISORS LLC		2,037,000	2,000,000	7,089	1FE
658877 DZ 5	NORTH DAKOTA ST HSG FIN AGY MUNICIPAL 4.500 JJ 01/01/2028		07/14/2011	MORGAN STANLEY		639,954	600,000		1FE
917565 GU 1	UTAH TRAN AUTH ZERO CPN MUNICIPAL 0.000 JD 06/15/2020		08/23/2011	ANCORA ADVISORS LLC		1,256,321	1,795,000		1FE
919061 FC 0	VALDEZ AK MARINE MUNICIPAL 5.000 JJ 01/01/2021		09/26/2011	ANCORA ADVISORS LLC		3,427,320	3,000,000	2,500	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments					22,373,931	21,780,897	80,257	XXX
Bonds - Industrial and Miscellaneous									
023763 AA 3	AMER AIRLN FTWHI HI-YIELD 10.375 JJ 07/02/2019		07/20/2011	VARIOUS		141,665	122,020	809	2FE
097023 BC 8	BOEING CO CORPORATE 3.750 MN 11/20/2016		09/21/2011	STIFEL NICOLAUS & CO.		1,098,930	1,000,000	13,125	1FE
1248ME AG 4	CREDIT-BASED ASSET SERVICING NONGOV MBS 5.863 MTH 04/01/2037		08/16/2011	AMHERST SEC GP INC.		3,969,342	4,840,661	14,190	1Z*
125581 GA 0	CIT GROUP INC HI-YIELD 7.000 MJSD 05/02/2017		07/29/2011	BARCLAYS CAPITAL		100,500	100,000	933	4FE
147446 AR 9	CASE NEW HOLLAND HI-YIELD 7.875 JD 12/01/2017		09/23/2011	WELLS FARGO		271,875	250,000	6,398	3FE
171871 AL 0	CINCINNATI BELL FTWHI HI-YIELD 8.250 AO 10/15/2017		07/26/2011	JP MORGAN		133,250	130,000	3,098	4FE
17275R AH 5	CISCO SYSTEMS INC CORPORATE 4.450 JJ 01/15/2020		07/27/2011	CANTOR		37,292	35,000	61	1FE
172967 FS 5	CITIGROUP INC CORPORATE 3.953 JD 06/15/2016		07/25/2011	ANCORA ADVISORS LLC		2,066,760	2,000,000	9,443	1FE
26779Y AA 7	DYNACAST INTL LLC/FIN IN FTW HI 9.250 JJ 07/15/2019		07/13/2011	JP MORGAN		279,049	274,000		4FE
291011 AX 2	EMERSON ELECTRIC CO CORPORATE 5.250 AO 10/15/2018		08/23/2011	STIFEL NICOLAUS & CO.		1,868,555	1,580,000	30,185	1FE
302051 AQ 0	EXIDE TECHNOLOGIES FTWHI HI-YIELD 8.625 FA 02/01/2018		07/21/2011	VARIOUS		173,040	168,000	7,285	4FE
32051G SD 8	FIRST HORIZON ALT MTG NONGOV MBS 5.500 MTH 06/01/2035		09/08/2011	GREENWICH CAP MKT, INC.		1,999,218	2,394,274	4,390	1Z*

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
404121 AC 9	HCA INC HI-YIELD 6.500 FA 02/15/2020		07/26/2011	JP MORGAN		437,000	437,000		3FE
460690 BF 6	INTERPUBLIC GROUP FTW CORPORATE 10.000 JJ 07/15/2017		07/27/2011	CITADEL SECURITIES		915,684	770,000	3,422	2FE
55342U AA 2	MPT OPER PARTNERSP/FINL FTWHI HI-YIELD 6.875 MN 05/01/2021		09/23/2011	BANC/AMERICA		97,000	100,000	2,903	3FE
742718 DV 8	PROCTOR & GAMBLE CO CORPORATE 1.450 FA 08/15/2016		08/15/2011	MORGAN STANLEY		1,974,526	1,975,000	239	1FE
76110W SZ 0	RESIDENTIAL ASSET SEC CORP NONGOV MBS 5.750 MTH 09/01/2030		08/04/2011	JEFFRIES & COMPANY		1,809,128	2,079,457	2,657	1Z*
86184B AB 8	STONEMOR/CNRSTN FTWHI HI-YIELD 10.250 JD 12/01/2017		07/26/2011	PRINCE RIDGE		131,625	130,000	2,147	4FE
883556 BA 9	THERMO FISHER CORPORATE 2.250 FA 08/15/2016		09/21/2011	STIFEL NICOLAUS & CO		1,020,320	1,000,000	2,500	1FE
920355 AF 1	VALSPAR CORP CORPORATE 7.250 JD 06/15/2019		09/14/2011	ANCORA ADVISORS LLC		2,428,800	2,000,000	37,861	2FE
92839U AE 7	VISTEON CORP FTW-HI HI-YIELD 6.750 AO 04/15/2019		09/23/2011	BANC/AMERICA		235,000	250,000	8,063	4FE
136385 AN 1	CANADIAN NATL RESOURCES CORPORATE 5.900 FA 02/01/2018	I	08/19/2011	MORGAN STANLEY		117,817	100,000	377	2FE
87971K AG 2	TEMBEC INDUSTRIES INC HI-YIELD 11.250 JD 12/15/2018	I	09/23/2011	MILLER, TABAK, HIRSCH CO		121,250	125,000	4,023	4FE
639365 AF 2	NAVIOS MARITIME HOLDINGS FTWHI HI-YIELD 8.125 FA 02/15/2019	R	08/04/2011	GOLDMAN SACHS & CO		107,500	125,000	5,388	4FE
3899999.	Total - Bonds - Industrial & Miscellaneous					21,535,126	21,985,412	159,498	XXX
8399997.	Total - Bonds - Part 3					65,458,982	65,229,309	381,307	XXX
8399999.	Total - Bonds					65,458,982	65,229,309	381,307	XXX
Common Stocks - Industrial and Miscellaneous									
00206R 10 2	AT&T INC COMMON STK FMAN		08/05/2011	ANCORA ADVISORS LLC	16,900.000	521,097	XXX		L
00508B 10 2	ACTUATECORP COMMON STK FMAN		09/21/2011	VARIOUS	19,843.000	127,228	XXX		L
005125 10 9	ACXIOM CORP COMMON STK FMAN		09/21/2011	VARIOUS	10,636.000	122,538	XXX		L
024835 10 0	AMER CMPS COMM COMMON STK FMAN		08/18/2011	VARIOUS	2,081.000	77,705	XXX		L
025676 20 6	AMER EQ INV LIFE COMMON STK FMAN		09/21/2011	VARIOUS	9,087.000	104,851	XXX		L
026375 10 5	AMERICAN GREETINGS CORP COMMON STK FMAN		09/21/2011	VARIOUS	4,605.000	102,241	XXX		L
049164 20 5	ATLAS AIR WRLDWD COMMON STK FMAN		09/21/2011	VARIOUS	1,548.000	78,063	XXX		L
060505 10 4	BANK OF AMERICA CORP COMMON STK MJSD		09/22/2011	ANCORA ADVISORS LLC	125,000.000	866,250	XXX		L
06985P 10 0	BASIC ENERGY COMMON STK FMAN		09/21/2011	VARIOUS	5,453.000	159,440	XXX		L
089302 10 3	BIG LOT INC COMMON STK FMAN		09/21/2011	VARIOUS	1,807.000	62,018	XXX		L
110122 10 8	BRISTOL-MYERS SQUIBB CO COMMON STK FMAN		07/08/2011	ANCORA ADVISORS LLC	12,100.000	353,078	XXX		L
118255 10 8	BUCKEYE CELLULOS COMMON STK FMAN		09/21/2011	VARIOUS	5,053.000	139,803	XXX		L
12561W 10 5	CLECO CORP COMMON STK FMAN		08/04/2011	VARIOUS	1,824.000	65,095	XXX		L
126349 10 9	CSG SYST INTL COMMON STK FMAN		07/25/2011	MORGAN STANLEY	1,828.000	33,886	XXX		L
126501 10 5	CTS CORP COMMON STK FMAN		09/14/2011	CANTOR	5,889.000	56,619	XXX		L
134429 10 9	CAMPBELL SOUP CO COMMON STK FMAN		08/17/2011	ANCORA ADVISORS LLC	12,000.000	375,360	XXX		L
14149F 10 9	CARDINAL FINL COMMON STK FMAN		09/21/2011	VARIOUS	10,296.000	113,212	XXX		L
153435 10 2	CENT EURO DSTRBN COMMON STK FMAN		09/14/2011	VARIOUS	13,479.000	116,294	XXX		L
17243V 10 2	CINEMARK HOLDINGS INC COMMON STK FMAN		09/21/2011	VARIOUS	5,026.000	99,953	XXX		L
204149 10 8	COMMUNITY TST COMMON STK FMAN		09/21/2011	VARIOUS	3,111.000	84,761	XXX		L
22002T 10 8	CORPORATE OFFICE PROP COMMON STK FMAN		09/14/2011	CANTOR	2,424.000	68,102	XXX		L
25659P 40 2	DOLAN CO COMMON STK FMAN		09/21/2011	CANTOR	6,384.000	55,379	XXX		L
264147 10 9	DUCOMMUN INC COMMON STK FMAN		09/21/2011	VARIOUS	5,977.000	125,550	XXX		L
29362U 10 4	ENTEGRIS INC COMMON STK FMAN		09/21/2011	VARIOUS	7,552.000	63,638	XXX		L

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
320209 10 9	FST F IN BNCP COMMON STK FMAN		09/27/2011	VARIOUS	4,784.000	74,726	XXX		L
337915 10 2	FIRSTMERIT CORP COMMON STK FMAN		09/21/2011	VARIOUS	4,768.000	66,580	XXX		L
369604 10 3	GENERAL ELECTRIC CO COMMON STK FMAN		08/17/2011	ANCORA ADVISORS LLC	35,000.000	627,300	XXX		L
370334 10 4	GENERAL MILLS INC COMMON STK FMAN		08/17/2011	ANCORA ADVISORS LLC	15,000.000	554,200	XXX		L
391164 10 0	GREAT PLAINS ENERGY INC COMMON STK FMAN		09/27/2011	CANTOR	2,377.000	48,219	XXX		L
450828 10 8	IBERIABANK CORP COMMON STK FMAN		09/21/2011	VARIOUS	2,092.000	112,062	XXX		L
451055 10 7	ICONIX BRAND GRP INC COMMON STK FMAN		09/21/2011	CANTOR	2,744.000	50,756	XXX		L
45768S 10 5	INNOSPEC INC COMMON STK FMAN		09/21/2011	CANTOR	2,010.000	51,665	XXX		L
458140 10 0	INTEL CORP COMMON STK FMAN		07/08/2011	ANCORA ADVISORS LLC	5,250.000	120,383	XXX		L
458334 10 9	INTER PARFUMS COMMON STK FMAN		09/21/2011	VARIOUS	5,331.000	111,512	XXX		L
492914 10 6	KEY ENERGY GROUP COMMON STK FMAN		09/21/2011	VARIOUS	6,941.000	117,792	XXX		L
50077B 20 7	KRATOS DEFENSE COMMON STK FMAN		09/14/2011	VARIOUS	13,419.000	132,914	XXX		L
502403 20 7	LTX-CREDENCE CORP COMMON STK FMAN		09/21/2011	VARIOUS	17,169.000	119,404	XXX		L
52186N 10 6	LEAPFROG ENTRPRS COMMON STK FMAN		09/21/2011	VARIOUS	22,209.000	85,176	XXX		L
524660 10 7	LEGGETT & PLATT INC COMMON STK FMAN		08/17/2011	ANCORA ADVISORS LLC	10,000.000	196,490	XXX		L
532457 10 8	ELI LILLY & CO COMMON STK FMAN		07/08/2011	ANCORA ADVISORS LLC	13,000.000	487,890	XXX		L
539830 10 9	LOCKHEED MARTIN CORP COMMON STK FMAN		08/05/2011	ANCORA ADVISORS LLC	1,000.000	73,360	XXX		L
559079 20 7	MAGELLAN HLTH COMMON STK FMAN		09/21/2011	VARIOUS	2,296.000	120,705	XXX		L
576323 10 9	MASTEC INC COMMON STK FMAN		09/14/2011	VARIOUS	5,477.000	110,927	XXX		L
58319P 10 8	MEADOWBROOK INS COMMON STK FMAN		09/21/2011	VARIOUS	12,741.000	121,229	XXX		L
62541B 10 1	MULTI-FINELINE ELETRONIX COMMON STK FMAN		08/18/2011	VARIOUS	3,180.000	63,991	XXX		L
64128B 10 8	NEUTRAL TANDEM INC COMMON STK FMAN		08/18/2011	VARIOUS	4,503.000	69,859	XXX		L
653656 10 8	NICE SYS LTD COMMON STK FMAN		09/14/2011	CANTOR	1,851.000	53,688	XXX		L
678026 10 5	OIL STATES INTERNATIONAL COMMON STK FMAN		09/21/2011	VARIOUS	1,196.000	93,765	XXX		L
685564 10 6	ORBITAL SCIENCES COMMON STK FMAN		09/21/2011	VARIOUS	4,904.000	82,876	XXX		L
69888P 10 6	PAR PHARMACEUTICALS CO COMMON STK FMAN		09/21/2011	VARIOUS	2,445.000	78,899	XXX		L
716748 10 8	PETROQUEST ENERGY INC COMMON STK FMAN		09/21/2011	VARIOUS	8,557.000	68,176	XXX		L
74267C 10 6	PROASSURANCE CORP COMMON STK FMAN		08/08/2011	VARIOUS	973.000	70,082	XXX		L
751452 20 2	RAMCO GERSHENSN COMMON STK FMAN		09/21/2011	VARIOUS	8,612.000	100,161	XXX		L
755111 50 7	RAYTHEON COMPANY COMMON STK FMAN		08/05/2011	ANCORA ADVISORS LLC	2,000.000	82,460	XXX		L
772739 20 7	ROCK-TENN CO COMMON STK FMAN		09/21/2011	VARIOUS	1,603.000	95,843	XXX		L
859241 10 1	STERLING CONSTRUCTION CO COMMON STK FMAN		09/21/2011	VARIOUS	6,941.000	89,848	XXX		L
87157D 10 9	SYNAPTICS INC COMMON STK FMAN		09/21/2011	VARIOUS	2,472.000	60,280	XXX		L
871829 10 7	SYSCO CORP COMMON STK FMAN		08/17/2011	ANCORA ADVISORS LLC	15,400.000	478,362	XXX		L
87929J 10 3	TELECOMM SYS COMMON STK FMAN		09/21/2011	VARIOUS	19,736.000	89,150	XXX		L
879369 10 6	TELEFLEX INC COMMON STK FMAN		09/21/2011	VARIOUS	1,250.000	73,113	XXX		L
88224Q 10 7	TEXAS CAP BNCSH COMMON STK FMAN		08/04/2011	VARIOUS	1,953.000	55,591	XXX		L
884903 10 5	THOMSON REUTERS CORP COMMON STK FMAN		08/17/2011	ANCORA ADVISORS LLC	12,000.000	378,960	XXX		L
88830M 10 2	TITAN INTERNATIONAL INC COMMON STK FMAN		09/27/2011	VARIOUS	6,763.000	145,441	XXX		L
891777 10 4	TOWER GROUP COMMON STK FMAN		09/21/2011	VARIOUS	4,713.000	111,674	XXX		L

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
92046N 10 2	VALUECLICK INC COMMON STK FMAN		09/21/2011	VARIOUS	5,977.000	105,689	XXX		L
976657 10 6	WISCONSIN ENERGY CORP COMMON STK FMAN		08/17/2011	ANCORA ADVISORS LLC	12,000.000	369,720	XXX		L
G0229R 10 8	ALTERRA CAPITAL HLDINGS COMMON STK FMAN		09/21/2011	VARIOUS	4,904.000	104,814	XXX		L
G0464B 10 7	ARGO GRP INT COMMON STK FMAN		09/21/2011	VARIOUS	3,885.000	113,822	XXX		L
G9319H 10 2	VALIDUS HOLDING LTD COMMON STK FMAN		07/25/2011	MORGAN STANLEY	1,558.000	42,648	XXX		L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					10,434,359	XXX	0	XXX
Common Stocks - Parent, Subsidiaries and Affiliates									
92206# 10 5	VANLINER GROUP, INC.		09/30/2011	UNIGROUP, INC.		2,108,504	XXX		K
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					2,108,504	XXX	0	XXX
Common Stocks - Mutual Funds									
09348R 30 0	BLDRS EMER MKTS 50 ADR ETF COMMON STK MJSD		09/21/2011	ANCORA ADVISORS LLC	3,290.000	128,507	XXX		L
45409B 88 3	IQ GLOBAL RESOURCES ETF COMMON STK JAJO		09/21/2011	ANCORA ADVISORS LLC	10,126.000	295,890	XXX		L
464287 46 5	ISHARES MSCI EAFE INDEX FUND MJSD		09/21/2011	ANCORA ADVISORS LLC	405.000	20,051	XXX		L
464287 50 7	ISHARES S&P MIDCAP 400 COMMON STK FMAN		08/29/2011	ANCORA ADVISORS LLC	1,030.000	88,951	XXX		L
73935X 30 2	POWERSHARES HIGH YIELD EQUITY JAJO		09/21/2011	ANCORA ADVISORS LLC	3,067.000	25,303	XXX		L
922908 55 3	VANGUARD REIT ETF COMMON STK FMAN		09/21/2011	ANCORA ADVISORS LLC	1,487.000	81,858	XXX		L
9299999.	Total - Common Stocks - Mutual Funds					640,560	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					13,183,424	XXX	0	XXX
9799999.	Total - Common Stocks					13,183,424	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					13,183,424	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					78,642,405	XXX	381,307	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
3128X1 SJ 7	FREDDIE MAC STEP UP 5.000		07/25/2011	MATURITY		1,000,000	1,000,000	983,750	1,000,000				0		1,000,000			0	50,000	07/25/2011	1
31331J A3 7	FEDERAL FARM CREDIT BANK 2.680		09/01/2011	CALL at 100.000		1,750,000	1,750,000	1,750,000	1,750,000				0		1,750,000			0	34,393	06/07/2018	1
31339Y PU 0	FEDERAL HOME LOAN BANK 5.000		07/29/2011	MATURITY		200,000	200,000	197,612	200,000				0		200,000			0	7,500	07/29/2011	1
3134G1 LJ 1	FREDDIE MAC AGENCY 1.125		07/14/2011	CALL at 100.000		70,000	70,000	70,127			(127)		(127)		70,000			0	394	01/14/2013	1
3134G1 VH 4	FREDDIE MAC AGENCY 1.150		08/31/2011	HUDSON INDEMNITY		25,014	25,000	25,042			(29)		(29)		25,014			0		10/07/2013	1
3136FM 6K 5	FANNIE MAE STEP AGENCY 2.625		08/10/2011	CALL at 100.000		6,800,000	6,800,000	6,817,181	2,806,013		(9,446)		(9,446)		6,800,000			0	49,844	08/10/2015	1
3136FP EQ 6	FANNIE MAE AGENCY 1.850		09/09/2011	VARIOUS		6,000,000	6,000,000	6,003,375	1,000,700		(3,075)		(3,075)		6,000,000			0	63,871	09/09/2015	1
3136FR BV 4	FANNIE MAE AGENCY 2.000		08/25/2011	VARIOUS		435,000	435,000	436,265			(1,265)		(1,265)		435,000			0	4,350	08/25/2014	1
3137EA CF 4	FREDDIE MAC AGENCY 1.125		08/31/2011	HUDSON INDEMNITY		15,044	15,000	15,073			(29)		(29)		15,044			0		12/15/2011	1
690353 PV 3	OVERSEAS PRIVATE INVEST AGENCY		08/31/2011	HUDSON INDEMNITY		31,115	25,000	30,134	30,829		285		285		31,115			0		09/07/2016	1
0599999.	Total - Bonds - U.S. Government					16,326,172	16,320,000	16,328,559	6,787,543	0	(13,685)	0	(13,685)	0	16,326,172	0	0	0	210,352	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
810453 L9 9	SCOTTSDALE ARIZ MUNICIPAL 5.000		07/01/2011	MATURITY		610,000	610,000	611,141			(1,141)		(1,141)		610,000			0	15,250	07/01/2011	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					610,000	610,000	611,141	0	0	(1,141)	0	(1,141)	0	610,000	0	0	0	15,250	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
567090 TY 1	MARICOPA CNTY ARIZ SCH MUNI 3.000		07/01/2011	MATURITY		1,000,000	1,000,000	1,001,030			(1,030)		(1,030)		1,000,000			0	15,000	07/01/2011	1FE
607114 M7 7	MOBILE ALA MUNICIPAL 5.250		08/15/2011	CALL at 102.000		2,040,000	2,000,000	2,056,040			(16,040)		(16,040)		2,040,000			0	52,500	08/15/2020	1FE
2499999.	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions					3,040,000	3,000,000	3,057,070	0	0	(17,070)	0	(17,070)	0	3,040,000	0	0	0	67,500	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
3128M1 CK 3	FREDDIE MAC FHLMC 5.500		09/01/2011	MBS PAYDOWN		50,026	50,026	50,730	50,208		(181)		(181)		50,026			0	1,845	05/01/2021	1
3128MB DN 4	FREDDIE MAC FHLMC 5.500		09/01/2011	MBS PAYDOWN		46,215	46,215	47,082	46,397		(182)		(182)		46,215			0	1,691	04/01/2022	1
3128PU C8 3	FEDERAL HOME LOAN BANK 3.500		09/01/2011	MBS PAYDOWN		72,227	72,227	72,292			(3)		(3)		72,227			0	435	01/01/2026	1
31294L 6V 0	FREDDIE MAC FHLMC 4.500		09/01/2011	MBS PAYDOWN		152,762	152,762	160,114	154,755		(1,993)		(1,993)		152,762			0	4,700	11/01/2021	1
3133XC T6 0	FEDERAL HOME LOAN BANK 5.140		09/18/2011	MBS PAYDOWN		20,432	20,432	20,353	20,378		54		54		20,432			0	709	08/18/2015	1
3133XE 5D 7	FEDERAL HOME LOAN BANK 5.270		09/28/2011	MBS PAYDOWN		30,615	30,615	30,758	30,646		(31)		(31)		30,615			0	1,079	12/28/2012	1
3136A0 DT 1	FANNIE MAE CMO 3.500		09/25/2011	MBS PAYDOWN		12,850	12,850	13,089			(1)		(1)		12,850			0	56	12/01/2019	1
31371L RK 7	FANNIE MAE FNMA 4.000		09/01/2011	MBS PAYDOWN		83,504	83,504	86,505	84,598		(1,094)		(1,094)		83,504			0	2,226	02/01/2014	1
3137A1 X9 9	FREDDIE MAC CMO 4.000		09/15/2011	MBS PAYDOWN		179,594	179,594	185,712	180,461		(867)		(867)		179,594			0	4,954	06/01/2020	1
3137A2 PF 2	FREDDIE MAC CMO 3.000		09/15/2011	MBS PAYDOWN		241,202	241,202	244,368	241,640		(438)		(438)		241,202			0	3,797	10/01/2020	1
3137A6 DT 6	FREDDIE MAC CMO 4.000		09/15/2011	MBS PAYDOWN		236,620	236,620	245,272			(1,215)		(1,215)		236,620			0	4,795	03/01/2021	1
3137A6 FB 3	FREDDIE MAC CMO 4.500		09/15/2011	MBS PAYDOWN		65,219	65,219	68,182			(106)		(106)		65,219			0	754	07/01/2025	1
3137A9 VR 4	FREDDIE MAC CMO 4.000		09/15/2011	MBS PAYDOWN		14,745	14,745	15,437			(9)		(9)		14,745			0	110	01/01/2021	1
31393D ZX 2	FANNIE MAE CMO 3.500		09/01/2011	MBS PAYDOWN		94,823	94,823	96,364	95,485		(662)		(662)		94,823			0	2,179	01/01/2013	1
31393G W5 9	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		52,020	52,020	52,394	52,089		(70)		(70)		52,020			0	1,912	04/01/2014	1
31393P LN 2	FREDDIE MAC CMO 5.000		09/15/2011	MBS PAYDOWN		236,754	236,754	241,341	242,509		(5,755)		(5,755)		236,754			0	7,886	11/01/2011	1

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value: 11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.	16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)
31393U 5K 5	FANNIE MAE CMO 4.330		07/25/2011	MBS PAYDOWN		93,769	93,769	93,769					0		93,769			0	338	07/01/2025	1
31393W W8 8	FREDDIE MAC CMO 4.500		09/01/2011	MBS PAYDOWN		21,689	21,689	21,113	21,599		90		90		21,689			0	652	12/01/2018	1
31393Y 6K 6	FANNIE MAE CMO 5.000		07/01/2011	MBS PAYDOWN		11,430	11,430	11,208	10,852		577		577		11,430			0	333	04/01/2013	1
31394D H6 0	FANNIE MAE CMO 5.500		09/01/2011	MBS PAYDOWN		129,701	129,701	130,816	129,701				0		129,701			0	1,810	12/01/2012	1
31394D S9 2	FANNIE MAE CMO 5.500		09/01/2011	MBS PAYDOWN		77,598	77,598	78,350	77,677		(79)		(79)		77,598			0	2,844	01/01/2013	1
31394G ST 1	FREDDIE MAC CMO 5.000		09/15/2011	MBS PAYDOWN		933,679	933,679	963,728	497,537		(14,338)		(14,338)		933,679			0	20,085	09/01/2012	1
31394K 2V 5	FREDDIE MAC CMO 4.000		09/01/2011	MBS PAYDOWN		82,494	82,494	84,311	82,538		(44)		(44)		82,494			0	2,260	04/01/2023	1
31394M ZK 9	FREDDIE MAC CMO 6.000		09/01/2011	MBS PAYDOWN		18,555	18,555	18,728	18,592		(37)		(37)		18,555			0	743	04/01/2014	1
31394N GP 7	FREDDIE MAC CMO 5.000		09/01/2011	MBS PAYDOWN		165,582	165,582	168,660	166,365		(783)		(783)		165,582			0	5,572	02/01/2013	1
31394R FP 9	FREDDIE MAC CMO 5.000		09/01/2011	MBS PAYDOWN		138,618	138,618	142,906	140,008		(1,391)		(1,391)		138,618			0	4,587	02/01/2018	1
31395B J9 5	FANNIE MAE CMO 6.000		09/01/2011	MBS PAYDOWN		31,886	31,886	32,345	31,952		(65)		(65)		31,886			0	1,276	05/01/2014	1
31395C QA 2	FREDDIE MAC CMO 5.000		09/01/2011	MBS PAYDOWN		286,294	286,294	290,745	287,645		(1,351)		(1,351)		286,294			0	9,652	11/01/2013	1
31395E S3 2	FREDDIE MAC CMO 5.000		09/15/2011	MBS PAYDOWN		718,368	718,368	733,471			(2,325)		(2,325)		718,368			0	5,648	07/01/2012	1
31395F FW 9	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		215,637	215,637	224,128	218,577		(2,940)		(2,940)		215,637			0	8,012	09/01/2014	1
31395F HG 2	FREDDIE MAC CMO 4.000		09/15/2011	MBS PAYDOWN		515,797	515,797	523,062			(1,241)		(1,241)		515,797			0	3,507	06/01/2012	1
31395J 4E 3	FREDDIE MAC CMO 4.500		09/15/2011	MBS PAYDOWN		87,252	87,252	90,114	89,158		(1,906)		(1,906)		87,252			0	2,614	12/01/2012	1
31395J S6 4	FREDDIE MAC CMO 4.500		09/15/2011	MBS PAYDOWN		639,902	639,902	653,779			(1,698)		(1,698)		639,902			0	5,113	12/01/2012	1
31395P FJ 6	FREDDIE MAC CMO 5.000		09/01/2011	MBS PAYDOWN		239,614	239,614	248,075	249,926		(10,312)		(10,312)		239,614			0	7,870	08/01/2012	1
31395P QP 0	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		65,098	65,098	65,154	65,109		(11)		(11)		65,098			0	2,407	01/01/2019	1
31395P U6 7	FREDDIE MAC CMO 5.000		09/01/2011	MBS PAYDOWN		192,167	192,167	195,440	192,960		(793)		(793)		192,167			0	6,477	06/01/2014	1
31395R FF 0	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		59,642	59,642	60,817	59,825		(183)		(183)		59,642			0	2,460	12/01/2013	1
31395T KP 8	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		296,395	296,395	301,767	297,550		(1,155)		(1,155)		296,395			0	10,963	01/01/2014	1
31396A 6H 2	FREDDIE MAC CMO 5.000		09/01/2011	MBS PAYDOWN		62,433	62,433	63,389	62,739		(305)		(305)		62,433			0	2,107	12/01/2015	1
31396A AE 4	FREDDIE MAC CMO 5.000		09/01/2011	MBS PAYDOWN		156,880	156,880	163,278	159,810		(2,929)		(2,929)		156,880			0	5,226	05/01/2012	1
31396G MY 4	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		161,809	161,809	163,123	161,809				0		161,809			0	1,941	02/01/2013	1
31396H AN 9	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		30,084	30,084	30,253	30,136		(52)		(52)		30,084			0	1,114	11/01/2015	1
31396K PR 7	FANNIE MAE CMO 6.000		09/01/2011	MBS PAYDOWN		111,888	111,888	113,408	112,257		(370)		(370)		111,888			0	4,401	04/01/2013	1
31396L E3 0	FANNIE MAE CMO 6.000		09/01/2011	MBS PAYDOWN		361,483	361,483	363,234	361,483				0		361,483			0	14,503	10/01/2013	1
31396N 6Y 7	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		167,421	167,421	170,325	167,891		(469)		(469)		167,421			0	6,139	10/01/2015	1
31396T JV 6	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		105,303	105,303	105,599	105,303				0		105,303			0	3,804	12/01/2013	1
31396U DP 2	FREDDIE MAC CMO 6.000		09/01/2011	MBS PAYDOWN		129,882	129,882	131,059	129,929		(47)		(47)		129,882			0	1,965	09/01/2013	1
31397A ED 1	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		12,664	12,664	12,677	12,664				0		12,664			0	461	11/01/2012	1
31397A HE 6	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		140,726	140,726	143,761	141,450		(723)		(723)		140,726			0	5,165	11/01/2015	1
31397B NE 7	FREDDIE MAC CMO 4.500		09/01/2011	MBS PAYDOWN		155,555	155,555	153,999	155,009		546		546		155,555			0	4,732	12/01/2014	1
31397C TK 5	FREDDIE MAC CMO 5.500		09/15/2011	MBS PAYDOWN		317,298	317,298	324,129			(1,211)		(1,211)		317,298			0	3,213	08/01/2012	1
31397F 2N 1	FREDDIE MAC CMO 5.500		09/01/2011	MBS PAYDOWN		29,045	29,045	29,131	29,065		(20)		(20)		29,045			0	1,066	11/01/2018	1

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31397G MB 3	FREDDIE MAC CMO 5.000		09/01/2011	MBS PAYDOWN		157,335	157,335	159,253	157,793		(458)		(458)		157,335			0	5,408	09/01/2014	1
31397H YK 8	FREDDIE MAC FL RT CMO 0.429		09/15/2011	MBS PAYDOWN		33,228	33,228	33,103	33,314		(86)		(86)		33,228			0	32	07/15/2015	1
31397H ZP 6	FREDDIE MAC CMO 6.000		07/01/2011	MBS PAYDOWN		93,519	93,519	94,396	93,519				0		93,519			0	935	03/01/2012	1
31397S XM 1	FANNIE MAE CMO 3.500		09/25/2011	MBS PAYDOWN		324,476	324,476	328,537			(445)		(445)		324,476			0	1,883	01/01/2026	1
31397U RJ 0	FANNIE MAE CMO 3.500		09/25/2011	MBS PAYDOWN		21,085	21,085	21,767			(4)		(4)		21,085			0	92	02/01/2022	1
31398C TG 3	FREDDIE MAC CMO 4.000		09/01/2011	MBS PAYDOWN		66,804	66,804	68,735	67,025		(221)		(221)		66,804			0	1,808	04/01/2019	1
31398F JG 7	FANNIE MAE CMO 4.000		09/25/2011	MBS PAYDOWN		27,180	27,180	28,463	27,390		(210)		(210)		27,180			0	738	11/01/2017	1
31398R E7 6	FANNIE MAE CMO 4.000		09/25/2011	MBS PAYDOWN		52,193	52,193	53,921			(38)		(38)		52,193			0	511	10/01/2027	1
31398R ZU 2	FANNIE MAE CMO 4.000		09/25/2011	MBS PAYDOWN		59,229	59,229	61,324			(55)		(55)		59,229			0	580	05/01/2022	1
31402D 7J 3	FANNIE MAE FNMA 4.000		09/01/2011	MBS PAYDOWN		136,833	136,833	140,682	137,824		(990)		(990)		136,833			0	3,745	01/01/2018	1
31403D JE 0	FANNIE MAE FNCI FNMA 5.000		09/01/2011	MBS PAYDOWN		62,683	62,683	62,928	62,727		(44)		(44)		62,683			0	2,080	08/01/2020	1
31403D KD 0	FANNIE MAE FNCI FNMA 5.000		09/01/2011	MBS PAYDOWN		49,634	49,634	50,084	49,716		(82)		(82)		49,634			0	1,658	01/01/2021	1
31412Q SE 0	FANNIE MAE FNMA 4.000		09/01/2011	MBS PAYDOWN		215,013	215,013	222,396			(895)		(895)		215,013			0	5,114	07/01/2024	1
31416W ZA 3	FANNIE MAE FNMA 3.500		09/01/2011	MBS PAYDOWN		32,629	32,629	33,458			(15)		(15)		32,629			0	303	09/01/2030	1
31417Y GK 7	FANNIE MAE FNMA 4.000		09/01/2011	MBS PAYDOWN		135,640	135,640	140,087			(350)		(350)		135,640			0	2,594	04/01/2024	1
31417Y R2 5	FANNIE MAE FNMA 3.500		09/01/2011	MBS PAYDOWN		568,341	568,341	593,206	575,360		(7,019)		(7,019)		568,341			0	13,121	07/01/2020	1
31417Y SD 0	FANNIE MAE FNMA 3.500		09/01/2011	MBS PAYDOWN		225,088	225,088	233,058	165,734		(660)		(660)		225,088			0	4,411	07/01/2025	1
31417Y SK 4	FANNIE MAE FNMA 3.500		09/01/2011	MBS PAYDOWN		377,098	377,098	394,452	333,673		(3,880)		(3,880)		377,098			0	8,051	07/01/2020	1
31417Y U4 7	FANNIE MAE FNMA 3.500		09/01/2011	MBS PAYDOWN		74,379	74,379	75,591			(15)		(15)		74,379			0	449	10/01/2030	1
31418V T5 1	FANNIE MAE FNMA 4.000		09/01/2011	MBS PAYDOWN		68,307	68,307	71,019			(127)		(127)		68,307			0	692	04/01/2025	1
31419D MQ 1	FANNIE MAE FNMA 3.500		09/01/2011	MBS PAYDOWN		159,579	159,579	163,859			(178)		(178)		159,579			0	1,507	07/01/2025	1
31419D NW 7	FANNIE MAE FNMA 3.500		09/01/2011	MBS PAYDOWN		29,194	29,194	30,269	14,757		(86)		(86)		29,194			0	470	08/01/2025	1
38373A D9 4	GOVT NATIONAL MTGE ASSOC 4.000		09/20/2011	MBS PAYDOWN		8,742	8,742	9,194					0		8,742			0	29	03/01/2028	1
38375Q EX 3	GINNIE MAE CMO 4.000		09/01/2011	MBS PAYDOWN		126,909	126,909	130,042	127,838		(929)		(929)		126,909			0	3,377	08/01/2013	1
38376E VJ 1	GOVT NAT MORTGAGE ASSOC 4.000		09/16/2011	MBS PAYDOWN		29,820	29,820	31,244					0		29,820			0	99	07/01/2022	1
38376X L5 0	GOVERNMENT NATL MTG ASSOC 4.000		09/20/2011	MBS PAYDOWN		54,066	54,066	56,253			(49)		(49)		54,066			0	545	02/01/2023	1
38377E NN 0	GOV NATL MORT ASSOC 4.000		09/20/2011	MBS PAYDOWN		41,972	41,972	43,558			(38)		(38)		41,972			0	424	09/01/2022	1
38377L ZD 3	GOV NATL MORTAGE ASSOC 3.000		09/20/2011	MBS PAYDOWN		29,656	29,656	30,551			(19)		(19)		29,656			0	225	07/01/2023	1
38377M G4 2	GOVERNMENT NATL MORT ASSOC 3.500		09/20/2011	MBS PAYDOWN		157,001	157,001	163,060	157,702		(701)		(701)		157,001			0	1,385	07/01/2013	1
54627A CD 7	LOUISIANA HSG FIN AGY 5.700		08/01/2011	CALL at 100.000		20,000	20,000	21,320	21,303		(1,303)		(1,303)		20,000			0	760	12/01/2038	1FE
567656 CS 0	MARIETTA GA DEV AUTH REV 3.600		09/15/2011	MATURITY		1,000,000	1,000,000	1,004,800			(4,800)		(4,800)		1,000,000			0	18,000	09/15/2011	1FE
57419P HA 0	MARYLAND ST CMNTY DEV ADMIN 5.750		07/22/2011	SINKING FUND REDEMPTION.		20,000	20,000	20,770					0		20,000			0	6	09/01/2039	1FE
60535G AX 0	MISSISSIPPI HOME CORP 4.500		09/01/2011	SINKING FUND REDEMPTION.		5,000	5,000	5,388	18,331				0		5,000			0	108	12/01/2031	1FE
60535Q FD 7	MISSISSIPPI HOME CORP 5.400		08/01/2011	SINKING FUND REDEMPTION.		35,000	35,000	36,258					0		35,000			0	4	06/01/2038	1FE
60636X 8E 6	MISSOURI ST HSG COMMN 4.500		09/01/2011	SINKING FUND REDEMPTION.		10,000	10,000	10,771	25,287				0		10,000			0	200	11/01/2027	1FE
644616 AT 1	NEW HAMPSHIRE HIGHER ED REV 1.705		09/06/2011	CALL at 100.000		1,850,000	1,850,000	1,850,000	1,850,000				0		1,850,000			0	14,163	12/14/2040	1FE

Statement for September 30, 2011 of the **National Interstate Insurance Company**

SCHEDULE D - PART 4

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

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CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
64469D EF 4	NEW HAMPSHIRE ST HSG 5.750		07/01/2011	SINKING FUND REDEMPTION.		15,000	15,000	15,690	15,000				0		15,000			0	913	01/01/2037	1FE
647200 M8 4	NEW MEXICO MTG FIN AUTH 4.625		09/01/2011	SINKING FUND REDEMPTION.		50,000	50,000	52,485					0		50,000			0	711	09/01/2025	1FE
658909 CL 8	NORTH DAKOTA ST HSG FIN AGY 4.500		07/01/2011	SINKING FUND REDEMPTION.		50,000	50,000	51,656	50,000				0		50,000			0	1,306	01/01/2035	1FE
880459 6U 1	TENNESSEE HSG DEV AGY 5.750		07/01/2011	SINKING FUND REDEMPTION.		45,000	45,000	47,456					0		45,000			0	1,294	01/01/2037	1FE
917436 X7 7	UTAH HSG CORP 4.000		07/01/2011	SINKING FUND REDEMPTION.		5,000	5,000	5,005					0		5,000			0	100	07/01/2024	1FE
97689P 6R 4	WISCONSIN HSG & ECON 5.500		09/01/2011	SINKING FUND REDEMPTION.		135,000	135,000	141,550					0		135,000			0	3,713	09/01/2038	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					15,210,880	15,210,880	15,517,479	9,450,572	0	(81,814)	0	(81,814)	0	15,210,880	0	0	0	303,733	XXX	XXX
Bonds - Industrial and Miscellaneous																					
038521 AD 2	ARAMARK CORP FTWHI HI-YIELD 8.500		07/01/2011	GOLDMAN SACHS & CO.		81,218	78,000	78,390	78,275		(64)		(64)		78,211		3,006	3,006	6,188	02/01/2015	4FE
1248ME AG 4	CREDIT-BASED ASSET SERVICING 5.863		09/25/2011	MBS PAYDOWN		25,931	25,931	21,264			169		169		25,931			0	125	04/01/2037	1Z*
17285T AD 8	CITADEL BROADCASTING FTWHI 7.750		09/16/2011	CALL at 107.750		323,250	300,000	300,000	200,000				0		300,000		23,250	23,250	13,842	12/15/2018	3FE
210795 PL 8	CONTL AIRLINES 03-ERJ1 FTWHI 7.875		07/02/2011	SINKING FUND REDEMPTION.		7,635	7,635	7,609			2		2		7,635			0	301	07/02/2018	4FE
226566 AK 3	CRICKET COMM FTWHI 7.750		07/05/2011	DEUTSCHE BANK SECURITES		64,350	60,000	59,850	59,871		10		10		59,881		4,469	4,469	3,010	05/15/2016	4FE
235825 AB 2	DANA HOLDING CORP FTWHI 6.750		07/12/2011	BANC/AMERICA		302,625	300,000	300,000					0		300,000		2,625	2,625	9,394	02/15/2021	4FE
337756 AB 6	FISHER COMMUNICATIONS FTWH 8.625		07/06/2011	CALL at 102.875		4,115	4,000	3,975	3,979		3		3		3,981		134	134	279	09/15/2014	4FE
362257 AB 3	GSAA HOME EQUITY TRUST 0.414		09/25/2011	VARIOUS		95,244	95,244	95,244	95,244				0		175,862			0	256	11/25/2036	1Z*
362381 AA 3	GSAA HOME EQUITY TRUST 0.284		09/25/2011	VARIOUS		23,666	23,666	23,666	16,161	7,505			7,505		32,487			0	44	08/25/2036	1Z*
36298Y AA 8	GSAA HOME EQUITY TRUST 0.284		09/25/2011	VARIOUS		26,222	26,222	26,222	17,778	8,444			8,444		36,833			0	49	09/25/2036	1Z*
36962G X8 2	GENERAL ELECTRIC CAP CORP 5.720		08/22/2011	MATURITY		1,000,000	1,000,000	1,000,000					0		1,000,000			0	33,367	08/22/2011	1FE
40052T AA 7	GRYPHON FUNDING LTD 0.000		09/06/2011	VARIOUS		118,007	118,007	57,991	118,007				0		208,020			0	310	08/06/2012	6
404119 BA 6	HCA INC FTWHI HI-YIELD 9.625		07/27/2011	JP MORGAN		160,500	150,000	158,985			(510)		(510)		158,475		2,025	2,025	2,968	11/15/2016	3FE
46629E AC 7	JP MORGAN ALT LOAN TRUST 0.344		09/25/2011	MBS PAYDOWN		36,279	36,279	36,279	24,829	11,450			11,450		36,279			0	83	09/25/2036	1Z*
52524N AA 5	LEHMAN BROS PL ST CMBS 0.529		09/15/2011	MBS PAYDOWN		377,837	377,837	377,837	377,837				0		377,837			0	1,310	06/15/2022	1Z*
570506 AM 7	MARKWEST ENGY FTWHI 6.750		07/01/2011	CIBC WORLD MKT CORP.		73,485	71,000	71,000	71,000				0		71,000		2,485	2,485	3,262	11/01/2020	3FE
59018Y XX 4	MERRILL LYNCH & CO 3.163		08/08/2011	MATURITY		1,000,000	1,000,000	997,854			2,146		2,146		1,000,000			0	8,070	08/08/2011	1FE
681936 AX 8	OMEGA HEALTHCARE FTWHI 6.750		08/01/2011	DEUTSCHE BANK SECURITES		70,175	70,000	69,825			17		17		69,842		333	333	3,938	10/15/2022	3FE
693492 AC 4	PINAFORE LLC/INC FTWHI 9.000		09/02/2011	CALL at 103.000		14,420	14,000	14,000	14,000				0		14,000		420	420	1,166	10/01/2018	4FE
75886A AD 0	REGENCY ENGY FTWHI 9.375		07/27/2011	BANC/AMERICA		140,000	125,000	133,458	126,753		(777)		(777)		131,333		8,667	8,667	7,578	06/01/2016	4FE
88522W AB 9	THORNBURG MTGE SEC TRUST 0.364		09/25/2011	MBS PAYDOWN		112,328	112,328	112,328	112,328				0		112,328			0	268	06/25/2037	1Z*
911365 AU 8	UNITED RENTALS NORTH AM FTWHI 9.250		07/26/2011	CITIGROUP GLOBAL MRKTS		16,838	15,000	16,163			(11)		(11)		16,152		686	686	170	12/15/2019	4FE
934548 AE 8	WMG ACQUISITION CORP FTWH 7.375		07/21/2011	WARNER MUSIC GROUP		203,058	200,000	198,821			45		45		198,866		4,192	4,192	3,933	04/15/2014	4FE
067901 AF 5	BARRICK GOLD CORP FTWHI 2.900	I	07/27/2011	BANC/AMERICA		76,689	75,000	74,934			2		2		74,936		1,753	1,753	363	05/30/2016	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					4,353,871	4,285,149	4,235,693	1,316,062	27,399	1,032	0	28,431	0	4,489,889	0	54,044	54,044	100,271	XXX	XXX
8399997.	Total - Bonds - Part 4					39,540,923	39,426,029	39,749,941	17,554,177	27,399	(112,678)	0	(85,280)	0	39,676,941	0	54,044	54,044	697,106	XXX	XXX
8399999.	Total - Bonds					39,540,923	39,426,029	39,749,941	17,554,177	27,399	(112,678)	0	(85,280)	0	39,676,941	0	54,044	54,044	697,106	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value 11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.	16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)
00508B 10 2	ACTUATECORP COMMON STK		08/01/2011	CANTOR	3,530.000	21,439	XXX	23,075					0		23,075		(1,636)	(1,636)		XXX	L
005125 10 9	ACXIOM CORP COMMON STK		09/27/2011	CANTOR	2,509.000	27,198	XXX	30,567					0		30,567		(3,369)	(3,369)		XXX	L
024835 10 0	AMER CMPS COMM COMMON STK		08/30/2011	CANTOR	2,081.000	77,499	XXX	77,705					0		77,705		(205)	(205)	596	XXX	L
06985P 10 0	BASIC ENERGY COMMON STK		08/01/2011	CANTOR	441.000	14,387	XXX	15,844					0		15,844		(1,456)	(1,456)		XXX	L
118255 10 8	BUCKEYE CELLULOS COMMON STK		09/27/2011	CANTOR	1,038.000	27,428	XXX	29,865					0		29,865		(2,437)	(2,437)	53	XXX	L
12561W 10 5	CLECO CORP COMMON STK		08/05/2011	CANTOR	1,824.000	58,694	XXX	65,095					0		65,095		(6,401)	(6,401)	467	XXX	L
126349 10 9	CSG SYST INTL COMMON STK		08/03/2011	CANTOR	1,828.000	28,622	XXX	33,886					0		33,886		(5,264)	(5,264)		XXX	L
458334 10 9	INTER PARFUMS COMMON STK		08/01/2011	CANTOR	713.000	14,091	XXX	16,227					0		16,227		(2,136)	(2,136)		XXX	L
62541B 10 1	MULTI-FINELINE ELETRONIX COMMON STK		08/22/2011	CANTOR	3,180.000	55,346	XXX	63,991					0		63,991		(8,645)	(8,645)		XXX	L
64128B 10 8	NEUTRAL TANDEM INC COMMON STK		09/13/2011	CANTOR	4,503.000	45,030	XXX	69,859					0		69,859		(24,829)	(24,829)		XXX	L
74267C 10 6	PROASSURANCE CORP COMMON STK		08/11/2011	CANTOR	973.000	67,521	XXX	70,082					0		70,082		(2,561)	(2,561)		XXX	L
88224Q 10 7	TEXAS CAP BNCSH COMMON STK		08/08/2011	CANTOR	1,953.000	46,945	XXX	55,591					0		55,591		(8,646)	(8,646)		XXX	L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					484,201	XXX	551,786	0	0	0	0	0	0	551,787	0	(67,585)	(67,585)	1,116	XXX	XXX
Common Stocks - Mutual Funds																					
57060U 10 0	MARKET VECTORS GOLD COMMON STK		08/29/2011	ANCORA ADVISORS LLC	3,260.000	202,247	XXX	199,898					0		199,898		2,349	2,349		XXX	L
580135 10 1	MCDONALD'S CORP COMMON STK		08/17/2011	ANCORA ADVISORS LLC	2,750.000	239,713	XXX	207,847					0		207,847		31,865	31,865	1,678	XXX	L
9299999.	Total - Common Stocks - Mutual Funds					441,960	XXX	407,745	0	0	0	0	0	0	407,745	0	34,214	34,214	1,678	XXX	XXX
9799997	Total - Common Stocks - Part 4					926,161	XXX	959,531	0	0	0	0	0	0	959,532	0	(33,371)	(33,371)	2,793	XXX	XXX
9799999.	Total - Common Stocks					926,161	XXX	959,531	0	0	0	0	0	0	959,532	0	(33,371)	(33,371)	2,793	XXX	XXX
9899999.	Total - Preferred and Common Stocks					926,161	XXX	959,531	0	0	0	0	0	0	959,532	0	(33,371)	(33,371)	2,793	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					40,467,084	XXX	40,709,472	17,554,177	27,399	(112,678)	0	(85,280)	0	40,636,473	0	20,674	20,674	699,899	XXX	XXX

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

Sch. DB-Pt A-Sn 1
NONE

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

Sch. DB-Pt B-Sn 1
NONE

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

Sch. DB-Pt B-Sn 1B-Broker List
NONE

Sch. DB-Pt D
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
			Rate	Amount of Interest Received During	Amount of Interest Accrued at Current	6	7	8	
Depository		Code	of Interest	Current Quarter	Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
Key Bank	Cleveland, OH					715,945	910,834	871,646	XXX
Key Bank	Cleveland, OH					34,082	30,522	35,674	XXX
Key Bank	Cleveland, OH					1,380,993	1,410,202	1,447,796	XXX
Key Bank	Cleveland, OH					(16,837,493)	(14,614,072)	(18,371,568)	XXX
Key Bank	Cleveland, OH					22,128	23,505	7,635	XXX
First Hawiian	Honolulu, HI		Variable	57		930,649	263,679	150,447	XXX
0199999. Total Open Depositories		XXX	XXX	57	0	(13,753,696)	(11,975,330)	(15,858,370)	XXX
0399999. Total Cash on Deposit		XXX	XXX	57	0	(13,753,696)	(11,975,330)	(15,858,370)	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	XXX	850	800	800	XXX
0599999. Total Cash		XXX	XXX	57	0	(13,752,846)	(11,974,530)	(15,857,570)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE