



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

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

TRUSTGARD INSURANCE COMPANY

NAIC Group Code	00267	(Current Period)	00267	(Prior Period)	NAIC Company Code	40118	Employer's ID Number	41-1405571
Organized under the Laws of	Ohio				State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States							
Incorporated/Organized	07/01/1981				Commenced Business	11/10/1981		
Statutory Home Office	671 South High Street				Columbus, OH 43206-1014			
	(Street and Number)				(City or Town, State and Zip Code)			
Main Administrative Office	671 South High Street				Columbus, OH 43206-1014		614-445-2900	
	(Street and Number)				(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	671 South High Street, P.O. Box 1218				Columbus, OH 43216-1218			
	(Street and Number or P.O. Box)				(City or Town, State and Zip Code)			
Primary Location of Books and Records	671 South High Street				Columbus, OH 43206-1014		614-445-2900	
	(Street and Number)				(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.grangeinsurance.com							
Statutory Statement Contact	David Sidney Ackermann				614-445-2900			
	(Name)				(Area Code) (Telephone Number) (Extension)			
	ackermannd@grangeinsurance.com				614-542-3017			
	(E-mail Address)				(Fax Number)			

OFFICERS

Name	Title	Name	Title
THOMAS HOWARD WELCH	PRESIDENT & CEO	DAVID TRUFANT ROARK	VP & SECRETARY
JOHN PAUL MCCAFFREY	VP & CFO		

OTHER OFFICERS

JOHN CHRISTOPHER MONTGOMERY	VP - INVESTMENTS		
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DIRECTORS OR TRUSTEES

DOUGLAS PAUL BUTH	GLENN EUGENE CORLETT	ELWOOD GORDON GEE	ROBERT ENLOW HOYT #
JOHN PAUL MCCAFFREY #	ROBERT JOHN O'BRIEN	MICHAEL VERNE PARROTT	MARY MARNETTE PERRY
MELVIN GEORGE PYE JR	THOMAS SIMRALL STEWART	PHILIP WAYNE STICHTER	THOMAS HOWARD WELCH
DAVID CHARLES WETMORE			

State of .....Ohio.....

County of .....Franklin.....ss

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

THOMAS HOWARD WELCH PRESIDENT & CEO	DAVID TRUFANT ROARK VP & SECRETARY	JOHN PAUL MCCAFFREY VP & CFO
Subscribed and sworn to before me this 9th day of November, 2011		a. Is this an original filing? Yes [X] No [ ]
Teresa J. Burchwell, Notary Public April 28, 2012		b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE TRUSTGARD INSURANCE COMPANY

ASSETS

	Current Statement Date			4  December 31 Prior Year Net Admitted Assets
	1  Assets	2  Nonadmitted Assets	3  Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	66,922,777		66,922,777	67,080,424
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	2,000		2,000	2,000
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....0 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....7,402,566 ) .....	7,402,566		7,402,566	633,636
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....	1,101,634		1,101,634	2,459,400
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	75,428,977	0	75,428,977	70,175,460
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	756,070		756,070	705,253
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	7,448,385	57,584	7,390,801	6,805,959
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....(10,054) earned but unbilled premiums) .....	(10,586)	(532)	(10,054)	(8,888)
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	527,723		527,723	1,410,602
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	753,724		753,724	898,156
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	21,727	0	21,727	14,517
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	84,926,020	57,052	84,868,968	80,001,059
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	84,926,020	57,052	84,868,968	80,001,059
DETAILS OF WRITE-INS				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Equities in Pools .....	21,727		21,727	14,517
2502. ....			0	0
2503. ....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	21,727	0	21,727	14,517

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....4,715,706 ) .....	13,451,969	14,146,196
2. Reinsurance payable on paid losses and loss adjustment expenses .....		(27)
3. Loss adjustment expenses .....	3,994,723	4,263,628
4. Commissions payable, contingent commissions and other similar charges .....	402,780	424,982
5. Other expenses (excluding taxes, licenses and fees) .....	934,045	948,343
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	307,841	454,305
7.1 Current federal and foreign income taxes (including \$ .....(697) on realized capital gains (losses)) .....	468,722	1,874,700
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....55,677,510 and including warranty reserves of \$ ..... ) .....	14,278,818	14,207,684
10. Advance premium .....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....	34,169	26,622
12. Ceded reinsurance premiums payable (net of ceding commissions) .....		0
13. Funds held by company under reinsurance treaties .....		0
14. Amounts withheld or retained by company for account of others .....		0
15. Remittances and items not allocated .....		0
16. Provision for reinsurance .....		0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....		0
20. Derivatives .....		0
21. Payable for securities .....	5,872,981	0
22. Payable for securities lending .....	1,101,634	2,459,400
23. Liability for amounts held under uninsured plans .....		0
24. Capital notes \$ ..... and interest thereon \$ .....		0
25. Aggregate write-ins for liabilities .....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	40,847,682	38,805,833
27. Protected cell liabilities .....		0
28. Total liabilities (Lines 26 and 27) .....	40,847,682	38,805,833
29. Aggregate write-ins for special surplus funds .....	0	0
30. Common capital stock .....	2,500,000	2,500,000
31. Preferred capital stock .....		0
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....		0
34. Gross paid in and contributed surplus .....	4,657,724	4,657,724
35. Unassigned funds (surplus) .....	36,863,562	34,037,502
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		0
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	44,021,286	41,195,226
38. Totals (Page 2, Line 28, Col. 3)	84,868,968	80,001,059
DETAILS OF WRITE-INS		
2501. Miscellaneous Liability.....		0
2502. ....		0
2503. ....		0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901. ....		0
2902. ....		0
2903. ....		0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201. ....		0
3202. ....		0
3203. ....		0
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 119,666,095 )	122,783,854	96,063,665	187,024,970
1.2 Assumed (written \$ 27,646,132 )	27,565,541	19,696,538	39,298,227
1.3 Ceded (written \$ 119,743,515 )	122,851,818	96,109,026	187,108,112
1.4 Net (written \$ 27,568,712 )	27,497,577	19,651,177	39,215,085
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 16,722,974 ):			
2.1 Direct	94,555,978	65,675,015	124,708,820
2.2 Assumed	16,787,673	12,296,740	24,043,054
2.3 Ceded	94,619,105	65,713,195	124,775,253
2.4 Net	16,724,546	12,258,560	23,976,621
3. Loss adjustment expenses incurred	2,929,360	2,130,863	4,160,164
4. Other underwriting expenses incurred	8,835,923	6,456,780	12,451,963
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	28,489,829	20,846,203	40,588,748
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(992,252)	(1,195,026)	(1,373,663)
INVESTMENT INCOME			
9. Net investment income earned	1,860,789	1,143,046	2,121,652
10. Net realized capital gains (losses) less capital gains tax of \$ (697)	(1,295)	(16,372)	(211,750)
11. Net investment gain (loss) (Lines 9 + 10)	1,859,494	1,126,674	1,909,902
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 2,605 amount charged off \$ 222,711 )	(220,106)	(169,226)	(357,494)
13. Finance and service charges not included in premiums	3,497,171	3,327,719	6,208,518
14. Aggregate write-ins for miscellaneous income	124,468	130,343	236,321
15. Total other income (Lines 12 through 14)	3,401,533	3,288,836	6,087,345
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	4,268,775	3,220,484	6,623,584
17. Dividends to policyholders	84,286	57,648	113,247
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)	4,184,489	3,162,836	6,510,337
19. Federal and foreign income taxes incurred	469,419	1,050,011	1,988,720
20. Net income (Line 18 minus Line 19)(to Line 22)	3,715,070	2,112,825	4,521,617
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	41,195,226	36,677,700	36,677,700
22. Net income (from Line 20)	3,715,070	2,112,825	4,521,617
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	43,681	84,260	84,260
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(918,049)	(53,825)	(82,414)
27. Change in nonadmitted assets	29,039	33,322	(5,937)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	2,826,060	2,136,003	4,517,526
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	44,021,286	38,813,703	41,195,226
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income	124,468	130,343	236,321
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	124,468	130,343	236,321
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	26,978,905	19,873,858	39,109,802
2. Net investment income .....	2,006,301	1,126,121	2,115,815
3. Miscellaneous income .....	3,401,533	3,288,836	6,087,345
4. Total (Lines 1 to 3) .....	32,386,739	24,288,815	47,312,962
5. Benefit and loss related payments .....	17,418,746	11,953,988	23,814,784
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	12,217,152	8,729,395	16,522,777
8. Dividends paid to policyholders .....	76,739	65,287	116,573
9. Federal and foreign income taxes paid (recovered) net of \$ ..... (697) tax on capital gains (losses).....	1,874,700	2,038,194	2,038,195
10. Total (Lines 5 through 9) .....	31,587,337	22,786,864	42,492,329
11. Net cash from operations (Line 4 minus Line 10) .....	799,402	1,501,951	4,820,633
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	20,517,043	9,314,112	20,333,336
12.2 Stocks .....	0	0	0
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	0
12.7 Miscellaneous proceeds .....	5,872,981	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	26,390,024	9,314,112	20,333,336
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	20,557,718	11,688,557	27,132,923
13.2 Stocks .....	0	0	0
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	20,557,718	11,688,557	27,132,923
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	5,832,306	(2,374,445)	(6,799,587)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	137,222	1,087,077	908,173
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	137,222	1,087,077	908,173
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	6,768,930	214,583	(1,070,781)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	633,636	1,704,417	1,704,417
19.2 End of period (Line 18 plus Line 19.1) .....	7,402,566	1,919,000	633,636

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE  
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

- A. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. The State of Ohio requires that insurance companies domiciled in the State prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. The Company does not employ accounting practices that depart from the NAIC Accounting Practices and Procedures Manual.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

NO CHANGE

3. BUSINESS COMBINATIONS AND GOODWILL

NONE

4. DISCONTINUED OPERATIONS

NO CHANGE

5. INVESTMENTS

D. LOAN-BACKED SECURITIES

- 1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.  
2) NONE  
3)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than- Temporary Impairment for the Current Period	Amortized Cost After Other- Than Temporary Impairment	Fair Value at end of Current Period	Date of Financial Statement – End of Period

NONE

- 4) As impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains:

a.

Aggregate Amount of Unrealized Losses:		
1	Less than 12 Months	(123,248)
2	Greater than 12 Months	(14,464)

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:		
1	Less than 12 Months	9,024,315
2	Greater than 12 Months	818,120

According to SSAP 43R, loan-backed and structured securities with an unrealized loss position were reviewed according to the pronouncement that became effective on September 30, 2009. The best estimate of future cash flows using the appropriate discount rate was calculated for each affected security, with other-than-temporary impairments realized to the extent that present value was less than amortized cost. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

NO CHANGE

7. INVESTMENT INCOME

NO CHANGE

8. DERIVATIVE INSTRUMENTS

NONE

9. FEDERAL INCOME

- A. The components of the net deferred tax assets at September 30, 2011 and December 31, 2010 are as follows:

	9/30/2011	12/31/2010
Gross Deferred Tax Assets	\$ 1,469,319	\$ 1,518,935
Gross Deferred Tax Liabilities	941,596	73,162
Net Deferred Tax Asset (Liability)	527,723	1,445,773
Non-admitted Deferred Tax Assets	-	35,170
Admitted Deferred Tax Asset	527,723	1,410,603
(Increase) Decrease in Deferred Tax Assets Non-admitted	\$ 35,170	\$ (4,436)

- B. The Company has no deferred tax liabilities that are not recognized

- C. Current income taxes incurred consist of the following major components:

	9/30/2011	12/31/2010
Current Income Tax Expense	\$ 469,419	\$ 2,069,406
Tax on Capital Gains/(Losses)	(697)	(114,019)
Prior Year Under Accrual (Over Accrual)	-	(80,687)
Federal Income Taxes Incurred	\$ 468,722	\$ 1,874,700

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

NO CHANGE

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE  
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

11. DEBT  
NONE
12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTRETIREMENT BENEFIT PLANS  
NO CHANGE
13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUSAI-REORGANIZATIONS  
NO CHANGE
14. CONTINGENCIES  
NO CHANGE
15. LEASES  
NO CHANGE
16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK.  
NONE
17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES  
NONE
18. GAINS OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.  
NONE
19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS  
NONE
20. FAIR VALUE MEASUREMENTS  

A. All assets and liabilities of The Company are measured and reported at cost or amortized cost in accordance with footnote 1 above.

1. NONE

2. NONE

3. The Company’s policy is to recognize transfers in and out as of the end of the reporting period.

4. As of December 31, 2010, the reported fair value of the entity's investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows: According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of September 30, 2011, the Company did not have any bonds rated NAIC 3 thru 6, and therefore did not report any securities at fair value.
21. OTHER ITEMS  
NO CHANGE
22. EVENTS SUBSEQUENT  
  
NO CHANGE
23. REINSURANCE  
NO CHANGE
24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION  
NONE
25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

LOSSES AND LAE	6/30/2011	2010
BALANCE JANUARY 1	24,624,635	23,856,525
LESS REINSURANCE RECOVERABLES	6,214,811	5,585,380
NET BALANCE JANUARY 1	18,409,824	18,271,146
INCURRED RELATED TO:		
CURRENT YEAR	20,328,016	29,748,486
PRIOR YEAR	(674,110)	(1,611,703)
TOTAL INCURRED	19,653,905	28,136,784
PAID RELATED TO:		
CURRENT YEAR	14,211,924	19,367,980
PRIOR YEAR	6,405,113	8,630,124
TOTAL PAID	20,617,037	27,998,104
NET BALANCE AT DECEMBER 31	17,446,692	18,409,825
PLUS REINSURANCE RECOVERABLES	9,765,325	6,214,811
BALANCE AT DECEMBER 31	27,212,018	24,624,637
26. INTERCOMPANY POOLING AGREEMENTS  
NO CHANGE
27. STRUCTURED SETTLEMENTS  
NO CHANGE.
28. HEALTH CARE RECEIVABLES  
NONE

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE  
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- 29. PARTICIPATING POLICIES  
NONE
- 30. PREMIUM DEFICIENCY RESERVES  
NO CHANGE
- 31. HIGH DEDUCTIBLES  
NONE
- 32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES  
NONE
- 33. ASBESTOS/ENVIRONMENTAL RESERVES  
NONE
- 34. SUBSCRIBER SAVINGS ACCOUNTS  
NOT APPLICABLE
- 35. MULTIPLE PERIL CROP INSURANCE  
NONE
- 36. FINANCIAL GUARANTY INSURANCE  
NONE
- 37. CATASTROPHIC PLANNING  
NO CHANGE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

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

Yes ☐ No ☒
- 1.2

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

Yes ☐ No ☐
- 2.1

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

Yes ☐ No ☒
- 2.2

If yes, date of change:

01/01/3000
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒
- 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 ☒
- 4.2

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

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

5.

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

Yes ☐ No ☒ NA ☐
- 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.

12/31/2009
- 6.2

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

12/31/2009
- 6.3

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

10/25/2010
- 6.4

By what department or departments?

Ohio
- 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 ☐ NA ☒
- 6.6

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

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 8.4

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

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

GENERAL INTERROGATORIES

- 9.1

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

Yes ☒ No ☐
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain: .....
- 9.2

Has the code of ethics for senior managers been amended? .....

Yes ☐ No ☒
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s). .....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers? .....

Yes ☐ No ☒
- 9.31

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

FINANCIAL

- 10.1

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

Yes ☒ No ☐
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$ .....753,721

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 ☒
- 11.2

If yes, give full and complete information relating thereto: .....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....0
13.

Amount of real estate and mortgages held in short-term investments: .....\$ .....0
- 14.1

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

Yes ☒ No ☐
- 14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....2,000	\$ .....2,000
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....2,000	\$ .....2,000
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

- 15.1

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

Yes ☐ No ☒
- 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.

GENERAL INTERROGATORIES

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
JP Morgan Chase Bank, N.A.....	1111 Polaris Parkway, Columbus, OH 43240.....
Federal Home Loan Bank of Cincinnati.....	221 E. 4th St., 1000 Atrium 2, Cincinnati, OH 45202.....

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

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

Yes [X] No [ ]

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? ..... Yes [ ] No [X] NA [ ]  
If yes, attach an explanation.

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 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:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....										
.....										
.....										
.....										
.....										
TOTAL			0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent ..... %  
5.2 A&H cost containment percent ..... %  
5.3 A&H expense percent excluding cost containment expenses ..... %

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

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

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

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

**STATEMENT AS OF SEPTEMBER 30, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

## SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories							
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	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..N		.0		.0		.0
2. Alaska	AK..N		.0		.0		.0
3. Arizona	AZ..N		.0		.0		.0
4. Arkansas	AR..N		.0		.0		.0
5. California	CA..N		.0		.0		.0
6. Colorado	CO..L		.0		.0		.0
7. Connecticut	CT..N		.0		.0		.0
8. Delaware	DE..N		.0		.0		.0
9. District of Columbia	DC..N		.0		.0		.0
10. Florida	FL..N		.0		.0		.0
11. Georgia	GA..L	11,972,958	10,474,465	11,693,920	7,708,580	3,991,027	5,653,465
12. Hawaii	HI..N		.0		.0		.0
13. Idaho	ID..N		.0		.0		.0
14. Illinois	IL..L	20,687,489	17,749,834	15,099,037	12,692,682	11,104,402	15,158,081
15. Indiana	IN..L	17,869,098	11,946,964	11,129,839	5,770,126	4,815,224	4,844,468
16. Iowa	IA..L		.0		.0		.0
17. Kansas	KS..L		.0		.0		.0
18. Kentucky	KY..L	11,151,674	9,469,076	9,206,575	6,460,285	5,156,752	6,011,411
19. Louisiana	LA..N		.0		.0		.0
20. Maine	ME..N		.0		.0		.0
21. Maryland	MD..N		.0		.0		.0
22. Massachusetts	MA..N		.0		.0		.0
23. Michigan	MI..N		.0		.0		.0
24. Minnesota	MN..L		.0		.0		.0
25. Mississippi	MS..N		.0		.0		.0
26. Missouri	MO..L		.0	(950)	(357)		.0
27. Montana	MT..N		.0		.0		.0
28. Nebraska	NE..L		.0		.0		.0
29. Nevada	NV..N		.0		.0		.0
30. New Hampshire	NH..N		.0		.0		.0
31. New Jersey	NJ..N		.0		.0		.0
32. New Mexico	NM..N		.0		.0		.0
33. New York	NY..N		.0		.0		.0
34. North Carolina	NC..N		.0		.0		.0
35. North Dakota	ND..L		.0		.0		.0
36. Ohio	OH..L	10,489,341	8,573,888	6,995,180	5,395,881	4,713,645	4,797,420
37. Oklahoma	OK..N		.0		.0		.0
38. Oregon	OR..L		.0		.0		.0
39. Pennsylvania	PA..L	16,535,940	11,298,193	12,370,246	7,322,628	5,477,646	5,279,420
40. Rhode Island	RI..N		.0		.0		.0
41. South Carolina	SC..L	3,547,007	3,218,699	2,617,764	2,073,455	1,535,885	2,659,257
42. South Dakota	SD..L		.0		.0		.0
43. Tennessee	TN..L	20,576,874	15,713,815	25,493,578	11,893,724	9,362,358	8,387,575
44. Texas	TX..L		.0		.0		.0
45. Utah	UT..N		.0		.0		.0
46. Vermont	VT..N		.0		.0		.0
47. Virginia	VA..L	6,835,714	6,474,420	5,326,170	5,263,227	3,816,555	4,131,159
48. Washington	WA..L		.0		.0		.0
49. West Virginia	WV..N		.0		.0		.0
50. Wisconsin	WI..L		.0		.0		.0
51. Wyoming	WY..N		.0		.0		.0
52. American Samoa	AS..N		.0		.0		.0
53. Guam	GU..N		.0		.0		.0
54. Puerto Rico	PR..N		.0		.0		.0
55. U.S. Virgin Islands	VI..N		.0		.0		.0
56. Northern Mariana Islands	MP..N		.0		.0		.0
57. Canada	CN..N		.0		.0		.0
58. Aggregate Other Alien	OT..XXX	.0	.0	.0	.0	.0	.0
59. Totals	(a) 21	119,666,095	94,919,354	99,931,359	64,580,231	49,973,494	56,922,256
DETAILS OF WRITE-INS							
5801.	XXX		.0		.0		.0
5802.	XXX		.0		.0		.0
5803.	XXX		.0		.0		.0
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	.0	.0	.0	.0	.0	.0
5899. TOTALS (Lines 5801 through 5803 plus 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

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire	2,162,270	2,931,723	135.6	49.5
2.	Allied lines	1,458,217	793,142	54.4	67.3
3.	Farmowners multiple peril			0.0	0.0
4.	Homeowners multiple peril	32,867,076	40,414,528	123.0	90.6
5.	Commercial multiple peril			0.0	0.0
6.	Mortgage guaranty			0.0	0.0
8.	Ocean marine			0.0	0.0
9.	Inland marine	812,164	349,998	43.1	39.2
10.	Financial guaranty			0.0	0.0
11.1	Medical professional liability -occurrence			0.0	0.0
11.2	Medical professional liability -claims made			0.0	0.0
12.	Earthquake	530,392	0	0.0	(0.1)
13.	Group accident and health			0.0	0.0
14.	Credit accident and health			0.0	0.0
15.	Other accident and health			0.0	0.0
16.	Workers' compensation	2,502,867	1,682,892	67.2	115.7
17.1	Other liability occurrence	960,560	469,333	48.9	18.3
17.2	Other liability-claims made			0.0	0.0
17.3	Excess Workers' Compensation			0.0	
18.1	Products liability-occurrence			0.0	0.0
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability	48,814,240	25,837,630	52.9	62.9
19.3,19.4	Commercial auto liability	1,728,840	1,006,582	58.2	50.8
21.	Auto physical damage	30,947,228	21,070,150	68.1	61.5
22.	Aircraft (all perils)			0.0	0.0
23.	Fidelity			0.0	0.0
24.	Surety			0.0	0.0
26.	Burglary and theft			0.0	0.0
27.	Boiler and machinery			0.0	0.0
28.	Credit			0.0	0.0
29.	International			0.0	0.0
30.	Warranty			0.0	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	0.0
35.	TOTALS	122,783,854	94,555,978	77.0	68.4
DETAILS OF WRITE-INS					
3401.				0.0	0.0
3402.				0.0	0.0
3403.				0.0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	731,190	2,222,081	1,236,064
2.	Allied lines	512,335	1,513,821	829,263
3.	Farmowners multiple peril	0		0
4.	Homeowners multiple peril	11,482,833	32,239,252	22,042,189
5.	Commercial multiple peril	0		0
6.	Mortgage guaranty	0		0
8.	Ocean marine	0		0
9.	Inland marine	259,251	766,318	582,879
10.	Financial guaranty	0		0
11.1	Medical professional liability-occurrence	0		0
11.2	Medical professional liability-claims made	0		0
12.	Earthquake	209,946	540,873	357,193
13.	Group accident and health	0		0
14.	Credit accident and health	0		0
15.	Other accident and health	0		0
16.	Workers' compensation	915,066	3,315,033	1,482,762
17.1	Other liability occurrence	303,013	870,761	696,766
17.2	Other liability-claims made	0		0
17.3	Excess Workers' Compensation	0		
18.1	Products liability-occurrence	0		0
18.2	Products liability-claims made	0		0
19.1,19.2	Private passenger auto liability	14,830,749	46,370,120	40,974,356
19.3,19.4	Commercial auto liability	633,764	2,220,201	956,344
21.	Auto physical damage	9,495,788	29,607,635	25,761,538
22.	Aircraft (all perils)	0		0
23.	Fidelity	0		0
24.	Surety	0		0
26.	Burglary and theft	0		0
27.	Boiler and machinery	0		0
28.	Credit	0		0
29.	International	0		0
30.	Warranty	0		0
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	39,373,935	119,666,095	94,919,354
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
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2008 + Prior .....	2,466	1,653	4,120	1,245	.89	1,334	1,450	.29	1,199	2,678	.228	(336)	(107)
2. 2009 .....	1,870	2,040	3,910	1,141	.113	1,253	.991	.45	1,365	2,400	.261	(518)	(256)
3. Subtotals 2009 + prior .....	4,336	3,693	8,029	2,385	.202	2,587	2,441	.74	2,564	5,078	.490	(854)	(364)
4. 2010 .....	4,915	5,466	10,381	3,051	.767	3,818	2,617	.219	3,309	6,145	.753	(1,170)	(417)
5. Subtotals 2010 + prior .....	9,251	9,159	18,410	5,436	.969	6,405	5,057	.293	5,873	11,224	1,242	(2,023)	(781)
6. 2011 .....	XXX	XXX	XXX	XXX	14,212	14,212	XXX	4,353	1,870	6,223	XXX	XXX	XXX
7. Totals .....	9,251	9,159	18,410	5,436	15,181	20,617	5,057	4,646	7,743	17,447	1,242	(2,023)	(781)
8. Prior Year-End Surplus As Regards Policy-holders	41,195										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. 13.4	2. (22.1)	3. (4.2)
											Col. 13, Line 7 Line 8		
											4. (1.9)		

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 on "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:

1.



401182011490000003

2.




401182011455000003

3.



401182011365000003

4.



401182011505000003

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

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

SCHEDULE B – VERIFICATION

Mortgage Loans

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

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	67,082,424	60,531,088
2. Cost of bonds and stocks acquired .....	20,557,718	27,132,923
3. Accrual of discount .....	92,620	177,000
4. Unrealized valuation increase (decrease) .....		129,631
5. Total gain (loss) on disposals .....	(1,992)	(122,057)
6. Deduct consideration for bonds and stocks disposed of .....	20,517,043	20,333,336
7. Deduct amortization of premium .....	288,948	229,112
8. Total foreign exchange change in book/adjusted carrying value .....		.0
9. Deduct current year's other than temporary impairment recognized .....		203,713
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	66,924,779	67,082,424
11. Deduct total nonadmitted amounts .....	.0	.0
12. Statement value at end of current period (Line 10 minus Line 11) .....	66,924,779	67,082,424

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE TRUSTGARD INSURANCE COMPANY

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
<b>BONDS</b>								
1. Class 1 (a).....	59,441,740	16,471,381	11,819,820	(130,277)	63,195,118	59,441,740	63,963,024	58,147,127
2. Class 2 (a).....	10,383,276			(20,956)	9,484,520	10,383,276	10,362,320	9,566,933
3. Class 3 (a).....	0				334,950	0	0	0
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	69,825,015	16,471,381	11,819,820	(151,233)	73,014,588	69,825,015	74,325,343	67,714,060
<b>PREFERRED STOCK</b>								
8. Class 1 .....	0				0	0	0	0
9. Class 2 .....	0				0	0	0	0
10. Class 3 .....	0				0	0	0	0
11. Class 4 .....	0				0	0	0	0
12. Class 5 .....	0				0	0	0	0
13. Class 6 .....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	69,825,015	16,471,381	11,819,820	(151,233)	73,014,588	69,825,015	74,325,343	67,714,060

(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 \$ .....7,402,566 ; NAIC 2 \$ ..... ;  
NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

SCHEDULE DA - PART 1  
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	7,402,566	XXX	7,402,566	131	0

SCHEDULE DA - VERIFICATION  
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	633,636	1,704,417
2. Cost of short-term investments acquired .....	13,379,805	4,287,612
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....	6,610,875	5,358,393
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	7,402,566	633,636
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	7,402,566	633,636

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

## E04

[illegible]

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

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE TRUSTGARD INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
313373-JG-8...	FHLB Call 3.000% 04/28/21.....		07/28/2011..	Call	100.0000.....	500,000	500,000	500,000					.0		500,000			.0	3,750	04/28/2021..	1.....
313461-LG-7...	FHLMC Call 2.000% 07/21/25.....		07/21/2011..	Call	100.0000.....	750,000	750,000	747,000	760,230		(10,230)		(10,230)		750,000			.0	7,500	07/21/2025..	1.....
3136FM-6Q-2...	FNMA Call 2.000% 08/05/20.....		08/05/2011..	Call	100.0000.....	500,000	500,000	500,000	500,000				.0		500,000			.0	5,000	08/05/2020..	1.....
3136FM-K7-8...	FNMA Call 2.250% 06/30/22.....		09/30/2011..	Call	100.0000.....	1,000,000	1,000,000	998,000	1,010,415		(10,415)		(10,415)		1,000,000			.0	16,875	06/30/2022..	1.....
3136FP-BX-4...	FNMA Call 1.000% 08/25/20.....		08/25/2011..	Call	100.0000.....	1,000,000	1,000,000	1,000,000	1,000,000				.0		1,000,000			.0	10,000	08/25/2020..	1.....
3136FP-MA-2...	FNMA Call 2.500% 03/29/21.....		09/29/2011..	Call	100.0000.....	1,000,000	1,000,000	1,000,000	1,009,380		(9,380)		(9,380)		1,000,000			.0	10,000	03/29/2021..	1.....
3136FP-MJ-3...	FNMA Call 2.000% 09/30/25.....		09/30/2011..	Call	100.0000.....	1,000,000	1,000,000	1,000,000	1,000,000				.0		1,000,000			.0	20,000	09/30/2025..	1.....
912827-7B-2...	United States Treasury Note - OH 5.000% 08/15/2011..		Maturity.....			1,000,000	1,000,000	995,000	999,599		401		401		1,000,000			.0	50,000	08/15/2011..	1.....
0599999 - Bonds - U.S. Governments						6,750,000	6,750,000	6,740,000	6,279,623	0	(29,623)	0	(29,623)	0	6,750,000	0	0	0	123,125	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
312962-QG-1...	FG 810455 5.000% 10/01/18.....		09/01/2011..	Paydown.....		69,776	69,776	74,835			(5,059)		(5,059)		69,776			.0	1,442	10/01/2018..	1.....
31371J-S8-8...	FNMA Pool 253543 7.000% 11/01/20.....		09/01/2011..	Paydown.....		258	258	255	256		2		2		258			.0	12	11/01/2020..	1.....
3137A3-JW-0...	FHR 3753 AS 3.500% 11/15/25.....		09/01/2011..	Paydown.....		17,478	17,478	18,032		(554)		(554)	(554)		17,478			.0	51	09/15/2025..	1.....
3137A3-PN-3...	FHR 3762 GM 3.500% 08/15/28.....		09/01/2011..	Paydown.....		13,021	13,021	13,427	13,418		(398)		(398)		13,021			.0	309	05/15/2020..	1.....
3137A5-WW-0...	FHR 3786 WA 4.000% 12/15/28.....		09/01/2011..	Paydown.....		20,140	20,140	20,701		(561)		(561)	(561)		20,140			.0	343	08/15/2020..	1.....
31392E-SX-9...	FNR 2002-59 B 5.500% 09/25/17.....		09/01/2011..	Paydown.....		5,282	5,282	5,376	5,303		(21)		(21)		5,282			.0	194	06/25/2017..	1.....
31393A-GG-6...	FNR 2003-28 GA 4.000% 10/25/32.....		09/01/2011..	Paydown.....		8,748	8,748	8,699	8,718		29		29		8,748			.0	235	10/25/2032..	1.....
31393B-QC-2...	FNR 2003-37 QD 5.000% 05/25/32.....		09/01/2011..	Paydown.....		37,377	37,377	37,167	37,230		147		147		37,377			.0	1,233	05/25/2032..	1.....
31393N-M8-9...	FHR 2590 TU 5.000% 08/15/31.....		09/01/2011..	Paydown.....		46,385	46,385	44,769	45,861		524		524		46,385			.0	1,573	08/15/2031..	1.....
31394C-VT-6...	FNR 2005-20 DB 5.000% 03/25/35.....		09/01/2011..	Paydown.....		16,095	16,095	16,015	16,039		56		56		16,095			.0	568	03/25/2035..	1.....
31394L-PM-8...	FHR 2698 BA 5.000% 11/15/32.....		09/01/2011..	Paydown.....		3,090	3,090	3,108	3,089				.0		3,090			.0	110	05/25/2015..	1.....
31394P-AC-7...	FHR 2731 DM 5.000% 08/15/29.....		08/01/2011..	Paydown.....		36,476	36,476	36,436	36,407		68		68		36,476			.0	1,124	08/15/2029..	1.....
31394T-DR-3...	FHR 2759 GC 5.000% 05/15/29.....		09/01/2011..	Paydown.....		127,543	127,543	128,560	127,454		89		89		127,543			.0	4,307	07/15/2012..	1.....
31395J-5E-2...	FHR 2881 AG 4.500% 08/15/34.....		09/01/2011..	Paydown.....		9,472	9,472	9,448	9,453		19		19		9,472			.0	282	08/15/2034..	1.....
31395T-U7-7...	FHR 2983 PB 5.500% 07/15/29.....		09/01/2011..	Paydown.....		120,382	120,382	123,316	120,546		(165)		(165)		120,382			.0	4,459	05/15/2012..	1.....
31397S-ZF-4...	FNR 2011-42 VA 4.500% 06/25/22.....		09/01/2011..	Paydown.....		8,888	8,888	9,409		(521)		(521)	(521)		8,888			.0	133	03/25/2019..	1.....
31398L-NU-8...	FHR 3606 A 4.000% 07/15/23.....		09/01/2011..	Paydown.....		46,858	46,858	49,177	48,987		(2,129)		(2,129)		46,858			.0	1,276	03/15/2017..	1.....
31398S-SG-9...	FNR 2010-136 BA 3.500% 12/25/30.....		09/01/2011..	Paydown.....		2,017	2,017	2,088		(71)		(71)	(71)		2,017			.0	6	10/25/2030..	1.....
31402C-4H-2...	FNMA Pool 725424 5.500% 04/01/34.....		09/01/2011..	Paydown.....		14,277	14,277	14,126	14,128		149		149		14,277			.0	522	04/01/2034..	1.....
31403B-4M-2...	FNMA Pool 744328 5.000% 09/01/33.....		09/01/2011..	Paydown.....		33,616	33,616	32,287	32,320		1,296		1,296		33,616			.0	1,124	09/01/2033..	1.....

## SCHEDULE D - PART 4

[illegible]

## E05.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D

NONE

**SCHEDULE DL - PART 1**  
**SECURITIES LENDING COLLATERAL ASSETS**

General Interrogatory:						
1. Total activity for the year to date .....	Fair Value \$ .....	1,101,634	Book/Adjusted Carrying Value \$ .....	1,101,634		
2. Average balance for the year to date .....	Fair Value \$ .....	1,511,391	Book/Adjusted Carrying Value \$ .....	1,511,391		
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:						
NAIC 1 \$ 1,101,634 .....	NAIC 2 \$ .....	NAIC 3 \$ .....	NAIC 4 \$ .....	NAIC 5 \$ .....	NAIC 6 \$ .....	

**SCHEDULE DL - PART 2**  
**SECURITIES LENDING COLLATERAL ASSETS**

[illegible]

General Interrogatory:			
1. Total activity for the year to date.....	Fair Value \$ .....	Book/Adjusted Carrying Value	\$ .....
2. Average balance for the year to date .....	Fair Value \$ .....	Book/Adjusted Carrying Value	\$ .....
3. Grand Total Schedule DL Part 1 and Part 2.....	Fair Value \$ .....1,101,634	Book/Adjusted Carrying Value	\$ .....1,101,634

Schedule E - Part 1

NONE

Schedule E - Part 2

NONE