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2011

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**QUARTERLY STATEMENT**  
**AS OF September 30, 2011**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**McKinley Life Insurance Company**

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	77216	Employer's ID Number	341624818
Organized under the Laws of		Ohio	State of Domicile or Port of Entry		Ohio	
Country of Domicile						
Licensed as business type:		Life, Accident & Health[X]	Property/Casualty[ ]	Hospital, Medical & Dental Service or Indemnity[ ]		
		Dental Service Corporation[ ]	Vision Service Corporation[ ]	Health Maintenance Organization[ ]		
		Other[ ]	Is HMO Federally Qualified? Yes[X] No[ ] N/A[ ]			
Incorporated/Organized		08/15/1989	Commenced Business		11/01/1989	
Statutory Home Office		2600 Sixth Street SW (Street and Number)			Canton, OH 44710 (City, or Town, State and Zip Code)	
Main Administrative Office		2600 Sixth Street SW (Street and Number)			Canton, OH 44710 (City or Town, State and Zip Code)	
		2600 Sixth Street SW (Street and Number)			(330)363-4057 (Area Code) (Telephone Number)	
Mail Address		2600 Sixth Street SW (Street and Number or P.O. Box)			Canton, OH 44710 (City, or Town, State and Zip Code)	
Primary Location of Books and Records		2600 Sixth Street SW (Street and Number)			Canton, OH 44710 (City, or Town, State and Zip Code)	
		2600 Sixth Street SW (Street and Number)			(330)363-4057 (Area Code) (Telephone Number)	
Internet Web Site Address		www.aultcare.com				
Statutory Statement Contact		Jeffrey Alan Scheatzle (Name)			(330)363-4057 (Area Code)(Telephone Number)(Extension)	
		jscheatzle@aultman.com (E-Mail Address)			(330)363-5012 (Fax Number)	

**OFFICERS**

Name	Title
Rick L. Haines	President
William Wallace M.D.	Secretary
Mark D. Wright	Treasurer
Edward J. Roth III	Executive Vice President

**OTHERS**

**DIRECTORS OR TRUSTEES**

William Wallace M.D.	Gregory A. Haban M.D.
Christopher E. Remark	Edward J. Roth III
Rick L. Haines	Michael A. Rich M.D.
Mark D. Wright	Michael R. Gallina
John B. Humphrey Jr., M.D.	Timothy L. Hagen D.O.
Darryl J. Dillenback	Allen Rovner M.D.

State of Ohio  
 County of Stark ss

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

(Signature)  
 Rick L. Haines  
 (Printed Name)  
 1.  
 President  
 (Title)

(Signature)  
 William Wallace  
 (Printed Name)  
 2.  
 Secretary  
 (Title)

(Signature)  
 Mark D. Wright  
 (Printed Name)  
 3.  
 Treasurer  
 (Title)

Subscribed and sworn to before me this  
 \_\_\_\_\_ day of \_\_\_\_\_, 2011

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

Yes[X] No[ ]

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(Notary Public Signature)

## 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 .....	58,831,674		58,831,674	55,531,759
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	14,699,036		14,699,036	15,537,644
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....33,233,434), cash equivalents (\$.....0) and short-term investments (\$.....0) .....	33,233,434		33,233,434	21,616,226
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....	17,126,429		17,126,429	15,630,026
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	123,890,573		123,890,573	108,315,654
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	454,700		454,700	531,153
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	3,047,990		3,047,990	2,236,506
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	219,906		219,906	20,058
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....	526,578		526,578	187,478
18.2 Net deferred tax asset .....	3,501,869		3,501,869	3,501,869
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustments in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....0) and other amounts receivable .....	5,628,747	1,250,840	4,377,907	3,991,066
25. Aggregate write-ins for other than invested assets .....				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	137,270,361	1,250,840	136,019,521	118,783,783
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	137,270,361	1,250,840	136,019,521	118,783,783
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. <b>TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)</b> .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. <b>TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)</b> .....				

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....1,352,000 reinsurance ceded) .....	40,066,021		40,066,021	34,766,056
2. Accrued medical incentive pool and bonus amounts .....	1,659,964		1,659,964	2,783,155
3. Unpaid claims adjustment expenses .....	733,900		733,900	1,200,700
4. Aggregate health policy reserves .....	10,188,340		10,188,340	10,729,631
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	19,255,180		19,255,180	3,953,161
9. General expenses due or accrued .....	3,791,377		3,791,377	4,209,137
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....	1,508,695		1,508,695	1,166,890
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....				
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
20. Reinsurance in unauthorized companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....	400,487		400,487	400,487
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
24. Total liabilities (Lines 1 to 23) .....	77,603,965		77,603,965	59,209,217
25. Aggregate write-ins for special surplus funds .....	XXX	XXX		
26. Common capital stock .....	XXX	XXX	1,000,000	1,000,000
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	48,875,734	48,875,734
29. Surplus notes .....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		
31. Unassigned funds (surplus) .....	XXX	XXX	8,539,822	9,698,832
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	58,415,556	59,574,566
34. Total Liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	136,019,521	118,783,783
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX		
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX		

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
				4 Total
	1 Uncovered	2 Total	3 Total	
1. Member Months .....	XXX .....	1,032,651	963,616	1,293,750
2. Net premium income (including \$.....0 non-health premium income) .....	XXX .....	328,696,074	310,835,412	417,360,736
3. Change in unearned premium reserves and reserves for rate credits .....	XXX .....			
4. Fee-for-service (net of \$.....0 medical expenses) .....	XXX .....			
5. Risk revenue .....	XXX .....			
6. Aggregate write-ins for other health care related revenues .....	XXX .....			
7. Aggregate write-ins for other non-health revenues .....	XXX .....			
8. Total revenues (Lines 2 to 7) .....	XXX .....	328,696,074	310,835,412	417,360,736
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		211,138,519	192,424,281	259,716,271
10. Other professional services .....				
11. Outside referrals .....		30,349,259	24,618,068	32,811,603
12. Emergency room and out-of-area .....		5,901,889	5,152,308	7,062,983
13. Prescription drugs .....		42,957,905	46,346,557	61,805,949
14. Aggregate write-ins for other hospital and medical .....		4,773,381	6,218,807	9,077,684
15. Incentive pool, withhold adjustments and bonus amounts .....		3,507,750	3,375,000	4,500,000
16. Subtotal (Lines 9 to 15) .....		298,628,703	278,135,021	374,974,491
<b>Less:</b>				
17. Net reinsurance recoveries .....		3,121,178	1,529,267	3,428,362
18. Total hospital and medical (Lines 16 minus 17) .....		295,507,525	276,605,754	371,546,129
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....3,193,160 cost containment expenses .....		5,054,062	4,531,837	6,317,250
21. General administrative expenses .....		28,276,354	25,231,509	35,872,539
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....				
23. Total underwriting deductions (Lines 18 through 22) .....		328,837,941	306,369,100	413,735,918
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX .....	(141,867)	4,466,312	3,624,818
25. Net investment income earned .....		1,754,373	1,699,113	2,369,220
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....		(1,043)	(321)	(2,032)
27. Net investment gains or (losses) (Lines 25 plus 26) .....		1,753,330	1,698,792	2,367,187
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....				
29. Aggregate write-ins for other income or expenses .....				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX .....	1,611,463	6,165,105	5,992,005
31. Federal and foreign income taxes incurred .....	XXX .....	547,897	1,550,000	3,497,644
32. Net income (loss) (Lines 30 minus 31) .....	XXX .....	1,063,566	4,615,105	2,494,361
<b>DETAILS OF WRITE-INS</b>				
0601. ....	XXX .....			
0602. ....	XXX .....			
0603. ....	XXX .....			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX .....			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX .....			
0701. ....	XXX .....			
0702. ....	XXX .....			
0703. ....	XXX .....			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX .....			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX .....			
1401. Reinsurance Claims .....		4,773,381	6,218,807	9,077,684
1402. ....				
1403. ....				
1498. Summary of remaining write-ins for Line 14 from overflow page .....				
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		4,773,381	6,218,807	9,077,684
2901. ....				
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....				

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	59,574,566	49,238,854	49,238,854
34. Net income or (loss) from Line 32 .....	1,063,566	4,615,105	2,494,361
35. Change in valuation basis of aggregate policy and claim reserves .....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(1,112,004)	379,062	1,051,658
37. Change in net unrealized foreign exchange capital gain or (loss) .....			
38. Change in net deferred income tax .....			1,727,193
39. Change in nonadmitted assets .....	(1,110,572)	(377,565)	(77,501)
40. Change in unauthorized reinsurance .....			
41. Change in treasury stock .....			
42. Change in surplus notes .....			
43. Cumulative effect of changes in accounting principles .....			
44. Capital Changes:			
44.1 Paid in .....			
44.2 Transferred from surplus (Stock Dividend) .....			
44.3 Transferred to surplus .....			
45. Surplus adjustments:			
45.1 Paid in .....			5,140,000
45.2 Transferred to capital (Stock Dividend) .....			
45.3 Transferred from capital .....			
46. Dividends to stockholders .....			
47. Aggregate write-ins for gains or (losses) in surplus .....			
48. Net change in capital and surplus (Lines 34 to 47) .....	(1,159,010)	4,616,601	10,335,712
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	58,415,556	53,855,456	59,574,566
<b>DETAILS OF WRITE-INS</b>			
4701. 0 .....			
4702. 0 .....			
4703. .....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....			

STATEMENT AS OF **September 30, 2011** OF THE **McKinley Life Insurance Company**  
**CASH FLOW**

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>				
1.	Premiums collected net of reinsurance .....	342,987,124	324,050,112	427,434,710
2.	Net investment income .....	1,868,250	4,199,286	2,766,718
3.	Miscellaneous income .....			
4.	Total (Lines 1 to 3) .....	344,855,374	328,249,398	430,201,428
5.	Benefit and loss related payments .....	293,028,012	274,510,603	374,105,130
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	34,214,975	30,736,735	42,645,769
8.	Dividends paid to policyholders .....			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	886,997	1,669,677	4,449,041
10.	Total (Lines 5 through 9) .....	328,129,985	306,917,015	421,199,940
11.	Net cash from operations (Line 4 minus Line 10) .....	16,725,389	21,332,383	9,001,488
<b>Cash from Investments</b>				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds .....	7,403,000	6,775,000	11,625,000
12.2	Stocks .....			
12.3	Mortgage loans .....			
12.4	Real estate .....			
12.5	Other invested assets .....			
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....			
12.7	Miscellaneous proceeds .....			3,633,371
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	7,403,000	6,775,000	15,258,371
13.	Cost of investments acquired (long-term only):			
13.1	Bonds .....	10,741,382	4,033,150	7,479,150
13.2	Stocks .....	273,395	3,650,897	7,346,912
13.3	Mortgage loans .....			
13.4	Real estate .....			
13.5	Other invested assets .....	1,496,404	2,200,000	2,200,000
13.6	Miscellaneous applications .....	0		
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	12,511,181	9,884,047	17,026,062
14.	Net increase (or decrease) in contract loans and premium notes .....			
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14) .....	(5,108,181)	(3,109,047)	(1,767,691)
<b>Cash from Financing and Miscellaneous Sources</b>				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes .....			
16.2	Capital and paid in surplus, less treasury stock .....			5,140,000
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) .....			
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....			5,140,000
<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) .....	11,617,208	18,223,335	12,373,796
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year .....	21,616,226	9,242,429	9,242,429
19.2	End of period (Line 18 plus Line 19.1) .....	33,233,434	27,465,765	21,616,226

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

20.0001	Cumulative effect of changes in accounting principles .....			
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**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year .....	110,584	6,480	48,032			3,575	2,516	21,053		28,928
2. First Quarter .....	111,759	6,416	47,407	16		5,493	2,424	21,571		28,432
3. Second Quarter .....	114,990	6,410	48,092	26		7,200	2,376	21,675		29,211
4. Third Quarter .....	119,373	6,407	49,419	32		9,812	2,345	22,013		29,345
5. Current Year .....										
6. Current Year Member Months .....	1,032,651	57,934	431,985	204		64,174	21,662	195,238		261,454
Total Member Ambulatory Encounters for Period:										
7. Physician .....	300,054	17,296	146,899	25			10,363	125,471		
8. Non-Physician .....	926,959	42,497	372,385	97			26,837	485,143		
9. Total .....	1,227,013	59,793	519,284	122			37,200	610,614		
10. Hospital Patient Days Incurred .....	45,478	985	10,934	6			1,007	32,546		
11. Number of Inpatient Admissions .....	8,303	215	2,504	1			173	5,410		
12. Health Premiums Written (a) .....	337,307,507	12,737,467	125,890,294	35,706		1,463,623	11,186,882	179,306,765		6,686,768
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	337,307,507	12,737,467	125,890,294	35,706		1,463,623	11,186,882	179,306,765		6,686,768
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	293,447,865	9,623,914	107,620,178	32,482		1,044,031	11,168,933	159,484,777		4,473,549
18. Amount Incurred for Provision of Health Care Services .....	298,628,703	9,964,956	108,299,976	32,482		1,044,031	11,399,035	163,114,842		4,773,381

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$....179,342,472.

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)****Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid .....	.....	.....	.....	.....	.....	.....
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....	.....	.....	.....	.....	.....	.....
0399999 Aggregate Accounts Not Individually Listed - Covered .....	.....	.....	.....	.....	.....	.....
0499999 Subtotals .....	.....	.....	.....	.....	.....	.....
0599999 Unreported claims and other claim reserves .....	.....	.....	.....	.....	.....	41,418,021
0699999 Total Amounts Withheld .....	.....	.....	.....	.....	.....	.....
0799999 Total Claims Unpaid .....	.....	.....	.....	.....	.....	41,418,021
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....	.....	.....	.....	.....	.....	1,659,964

## UNDERWRITING AND INVESTMENT EXHIBIT

## ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....	11,839,118	100,371,815		14,347,676	11,839,118	13,654,467
2. Medicare Supplement .....		32,482				
3. Dental only .....		1,044,031				
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....	1,157,114	9,977,542		623,267	1,157,114	564,085
6. Title XVIII - Medicare .....	20,500,351	137,690,648		23,525,079	20,500,351	18,977,504
7. Title XIX - Medicaid .....						
8. Other health .....	1,538,600	2,934,949		1,570,000	1,538,600	1,570,000
9. Health subtotal (Lines 1 to 8) .....	35,035,184	252,051,467		40,066,021	35,035,184	34,766,056
10. Healthcare receivables (a) .....	1,607,767	300,000			1,607,767	1,520,926
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....	2,830,941	1,800,000	(47,786)	1,707,750	2,783,155	2,783,155
13. Totals (Lines 9 - 10 + 11 + 12) .....	36,258,358	253,551,467	(47,786)	41,773,771	36,210,572	36,028,285

(a) Excludes \$.....,3020,980 loans or advances to providers not yet expensed.

**Notes to Financial Statement****SECTION A**

1. Summary of Significant Accounting Policies.
  - A. The accompanying financial statements of McKinley Life Insurance Company has been completed in accordance with the NAIC Accounting Practices and Procedures manual except to the extent that state law differs.
  - B. No Change.
  - C. Accounting Policy
    - (1) No Change.
    - (2) No Change.
    - (3) No Change.
    - (4) No Change.
    - (5) No Change.
    - (6) No Change.
    - (7) The Company has investments in subsidiaries and affiliates with a book adjusted carrying value totaling \$17,126,429. Of this amount, \$114,359 is invested in McKinley Life Agency, Ltd. \$6,913,886 is invested in AultCare Corporation. The remaining \$10,098,185 is invested in West Tuscarawas Property Management.
    - (8) No Change.
    - (9) No Change.
    - (10) No Change.
    - (11) No Change.
    - (12) No Change.
    - (13) No Change.
2. Accounting Changes and corrections of Errors
  - A. No Change.
3. Business Combinations and Goodwill
  - A. No Change.
  - B. No Change.
  - C. No Change.
  - D. No Change.
4. No Change.
5. Investments
  - A. No Change.
  - B. No Change.
  - C. No Change.
  - D. No Change.
  - E. No Change.
  - F. No Change.
  - G. No Change.
6. Joint Ventures, Partnerships and Limited Liability Companies.
  - A. No Change.
  - B. No Change.
7. No Change.
8. No Change.
9. Income Taxes

A. The components of the net deferred tax asset/(liability) at September 30 are as follows:

1. (reported in thousands)		9/30/2011			9/30/2010			Change		
		(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a)	Gross Deferred Tax Assets	\$3,502	\$ -	\$3,502	\$1,754	\$21	\$1,775	\$ 1,748	\$(21)	\$1,727
(b)	Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c)	Adjusted Gross Deferred Tax Assets (1a-1b)	\$3,502	\$ -	\$3,502	\$1,754	\$21	\$1,775	\$ 1,748	\$(21)	\$1,727
(d)	Deferred Tax Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e)	Subtotal (Net Deferred Tax Assets) (1c-1d)	\$3,502	\$ -	\$3,502	\$1,754	\$21	\$1,775	\$ 1,748	\$(21)	\$1,727
(f)	Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(g)	Net Admitted Deferred Tax Assets (1e-1f)	\$3,502	\$ -	\$3,502	\$1,754	\$21	\$1,775	\$ 1,748	\$(21)	\$1,727

2. The application of paragraph 10.e SSAP No. 10R, Income Taxes has no effect on the admitted portion of the DTA, in either period.

4. (reported in thousands)		9/30/2011			9/30/2010			Change		
Admission Calculation Components		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

**Notes to Financial Statement**

SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.		Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
( a )	SSAP No. 10R, Paragraph 10.a.	\$3,502	\$ -	\$3,502	\$1,454	\$ -	\$1,454	\$2,048	\$ -	\$2,048
( b )	SSAP No. 10R, Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	\$ -	\$ -	\$ -	\$300	\$21	\$321	\$(300)	\$(21)	\$(321)
( c )	SSAP No. 10R, Paragraph 10.b.i.	\$ -	\$ -	\$ -	\$300	\$21	\$321	\$(300)	\$(21)	\$(321)
( d )	SSAP No. 10R, Paragraph 10.b.ii.	XXX	XXX	\$5,491	XXX	XXX	\$4,973	XXX	XXX	\$518
( e )	SSAP No. 10R, Paragraph 10.c.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
( f )	Total (4a + 4b + 4e)	\$3,502	\$ -	\$3,502	\$1,754	\$21	\$1,775	\$1,748	\$(21)	\$1,727
5. (reported in thousands)		9/30/2011			9/30/2010			Change		
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.		(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
( a )	Admitted Deferred Tax Assets	\$3,502	\$ -	\$3,502	\$1,754	\$21	\$1,775	\$1,748	\$(21)	\$1,727
( b )	Admitted Assets	XXX	XXX	\$136,020	XXX	XXX	\$108,168	XXX	XXX	\$27,852
( c )	Adjusted Statutory Surplus	XXX	XXX	\$54,914	XXX	XXX	\$49,731	XXX	XXX	\$5,182
( d )	Total Adjusted Capital from DTAs	XXX	XXX	\$ -	XXX	XXX	\$ -	XXX	XXX	\$ -

**B. N/A****C. Income Taxes Incurred and changes in DTA's and DTL's**

	(1)	(2)	(3)
	9/30/2011	9/30/2010	(Col 1-2) Change
1. Current Income Tax			
( a ) Federal	\$547,897	\$500,000	\$ 47,897
( b ) Foreign	\$ -	\$ -	\$ -
2. Deferred Tax Assets			
( a ) Ordinary			
(1) Uncollected Premiums	\$77,787	\$77,787	\$ -
(2) Premiums Received in Advance	\$268,815	\$261,900	\$6,915
(3) Claims Unpaid	\$227,875	\$258,164	\$(30,289)
(4) Reserve for Return of Premium	\$2,670,380	\$943,062	\$1,727,318
	(1)	(2)	(3)
	9/30/2011	9/30/2010	(Col 1-2) Change
(5) Compensation Accrual	\$217,293	\$166,727	\$50,566
(6) Other	\$39,719	\$46,423	\$(6,704)
(7) Subtotal	\$3,501,869	\$1,754,063	\$1,747,806
( b ) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
( c ) Nonadmitted	\$ -	\$ -	\$ -
( d ) Admitted ordinary deferred tax assets (2a6 - 2b-2c)	\$3,501,869	\$1,754,063	\$1,747,806
( e ) Capital			
(1) Other	\$ -	\$20,613	\$(20,613)
(2) Subtotal	\$ -	\$20,613	\$(20,613)
( f ) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
( g ) Nonadmitted	\$ -	\$ -	\$ -
( h ) Admitted capital deferred tax assets (2e2 - 2f - 2g)	\$ -	\$20,613	\$(20,613)
( i ) Admitted deferred tax assets (2d + 2h)	\$3,501,869	\$1,774,676	\$1,727,193
3. Deferred Tax Liabilities			
( a ) Ordinary			
(1) Other	\$ -	\$ -	\$ -
(2) Subtotal	\$ -	\$ -	\$ -
( b ) Capital			
(1) Other	\$ -	\$ -	\$ -
(2) Subtotal	\$ -	\$ -	\$ -
( c ) Deferred tax liabilities (3a2 + 3b2)	\$ -	\$ -	\$ -
4. Net deferred tax assets/liabilities (2i - 3c)	\$3,501,869	\$1,774,676	\$1,727,193

**D. Among the more significant book to tax adjustments were the following:**

	9/30/2011	Effective Tax Rate
Provision computed at statutory rate	\$ 547,897	34%
Other - 2011 Deferred Tax Payments	\$ -	0%

**Notes to Financial Statement**

Total	<u>\$ 547,897</u>	34%
-------	-------------------	-----

E. No Change.  
 F. No Change.

10. Information Concerning Parent, Subsidiaries and Affiliates  
 A, B, C, The Company paid Aultman Hospital \$25,184,038 in capitated claims for its enrollees.  
 The Company paid Aultman Hospital \$54,328,385 in Medicare claims for its enrollees.  
 The Company paid \$420,007 to Aultman Health Foundation for management services.  
 The Company paid \$504,328 to Aultman Health Foundation for rent.  
 D. At September 30, 2011, the Company reported \$0 due from the parent company, Aultman Health Foundation. The Company has an intercompany revolving credit facility in place with AultCare, an affiliate, that allows AultCare to borrow and repay operating funds. As of September 30, 2011, AultCare owes \$6,913,886 under the terms of the agreement. The Company also has capitation arrangement with the parent company for anticipation of future services. As of September 30, 2011, the Company paid \$2,450,000 to Aultman Health Foundation for these future services.  
 E. No Change.  
 F. No Change.  
 G. No Change.  
 H. The Company has an investment in West Tuscarawas Property Management with an admitted asset value of \$10,098,185. The Company also had an investment in a subsidiary, McKinley Life Agency, Ltd. of \$114,359. Also, the Company had an investment in affiliate AultCare Corp. of \$6,913,886.  
 I. No Change.  
 J. No Change.  
 K. No Change.  
 L. No Change.

11. No Change.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans  
 A. No Change  
 B. Contributions of 3% of each employee's compensation are made each year. The Company's contribution for the defined contribution plan was \$275,134 and \$330,146 for 2011 and 2010 respectively.  
 C – F No Change.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations.  
 (1) No Change.  
 (2) No Change.  
 (3) No Change.  
 (4) No Change.  
 (5) No Change.  
 (6) No Change.  
 (7) No Change.  
 (8) No Change.  
 (9) No Change.  
 (10) No Change.  
 (11) No Change.  
 (12) No Change.  
 (13) No Change.

14. Contingencies  
 A. No Change.  
 B. No Change.  
 C. No Change.  
 D. No Change.  
 E. During 2009, the Company underwent a Medicare Risk Adjustment Validation ("RADV") audit by the Centers for Medicare and Medicaid Services on the Company's 2007 Medicare Advantage data. Based on current available information obtained from the preliminary results of the Medicare RADV audit, the Company has established a reserve of \$10.1 million as of September 30, 2011, which represents Management's best estimate of potential liability. Final audit results are expected in 2011.

15. Leases

## **Notes to Financial Statement**

- A. The Company leases office buildings from Aultman Health Foundation. The length of the lease is for five years which expires December 31, 2013. Through September 30, 2011, the company paid \$504,328 to Aultman Health Foundation for rent.
- B. No Change.
- 16. No Change.
- 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.
  - A. No Change.
  - B. No Change.
  - C. No Change.
- 18. No Change.
- 19. No Change.
- 20. Fair Value Measurements
  - A. The Company has assets that are measured at fair value on a recurring basis.
    - (1)
 

Fair Value Measurements at Reporting Date				
(1)	(2)	(3)	(4)	(5)
Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Common Stock	\$ 14,699,036	\$ -	\$ -	\$ -
Total assets at fair value	\$ 14,699,036	\$ -	\$ -	\$ -
    - (2) The Company had no assets with fair value measurements using significant unobservable inputs.
    - (3) The Company uses the valuation technique that is based on the quoted prices in the active markets.
  - 21. Other Items
    - A. The Company did not experience an extraordinary event or transaction that resulted in a gain or loss.
    - B. The Company had no troubled debt to restructure.
    - C. There are no other disclosures.
    - D. At September 30, 2011 the Company had admitted assets of \$3,047,990 in accounts receivable and amounts due from agents. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
    - E. The Company did not have any Business Interruption Insurance Recoveries.
    - F. The Company did not have any State Transferable Tax Credits.
    - G. The Company had no Subprime Mortgage Related Risk Exposure.
    - H. On or about December 27, 2007, CSAHS/UHHS-Canton, Inc. d/b/a Mercy Medical Center ("Mercy"), a competitor of Aultman Hospital in Stark County, Ohio, filed an action in the Stark County Court of Common Pleas against Aultman Health Foundation, AultCare Corporation, Aultman Hospital, and McKinley Life Insurance Company (collectively, "Defendants"). Mercy alleged that the four Defendants had each, among other things, violated Ohio's antitrust laws, tortiously interfered with Mercy's business relationships, and engaged in unfair competition and a civil conspiracy. The action went to trial, and in June, 2010, the jury rendered judgment in favor of the Defendants on five of the six Mercy claims that were still at issue by that time. With respect to the sixth claim, for an alleged violation of Ohio's Patten of Corrupt Activities Statute, the jury found "Aultman" liable to Mercy for \$6,148,000 in damages. Mercy had sought \$110,000,000 in damages. On October 19, 2010, the trial judge overruled the four Defendants' motion for judgment notwithstanding the verdict and for a new trial, but denied Mercy's claim for prejudgment interest. The trial judge also granted Mercy injunctive relief and attorneys fees of \$4,000,000. Neither the one verdict on which Mercy prevailed nor any of the Court's October 19 orders allocated the jury's award among the four Defendants. The four Defendants appealed the jury verdict and the judge's orders on October 22, 2010 and intend to vigorously pursue the appeal.
  - 22. No Change.
  - 23. Reinsurance
    - A. No Change.
    - B. No Change.
    - C. No Change.

## **Notes to Financial Statement**

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company has one contract with Federal Employees Health Benefit Plan that is subject to redetermination upon audits performed by the Office of Personnel Management.
- B. The Company records accrued retrospective premiums as an adjustment to earned premiums.
- C. The Company has accrued \$0 of net premiums written as of September 30, 2011 for the group health plan. No other net premiums written by the Company are subject to retrospective rating features.

25. No Change.

26. No Change.

27. No Change.

28. A.

Quarter	Estimated Rx Rebates as Reported on Statement	Rx Rebates as Invoiced	Actual Rebates Received Within 90 days of Invoicing	Rebates Received Within 91 to 180 days of Invoicing	Rebates Received More Than 180 days of Invoicing
9/30/11	\$688,410	\$965,810			
6/30/11	\$510,343	\$843,877			
3/31/11	\$111,477	\$1,242,743	\$1,187,443	\$65,328	
12/31/10	\$450,792	\$903,428	\$583,468	\$249,856	
9/30/10	\$578,128	\$776,092	\$603,248	\$202,522	
6/30/10	\$607,772	\$746,448	\$557,521	\$216,316	
3/31/10	\$652,256	\$701,964	\$553,547	\$182,843	
12/31/09	\$439,392	\$814,828	\$635,822	\$249,359	
9/30/09	\$659,392	\$814,828	\$645,065	\$139,599	
6/30/09	\$798,568	\$795,652	\$814,316	\$5,484	
3/31/09	\$805,504	\$788,716	\$639,930	\$134,923	
12/31/08	\$719,061	\$878,159	\$823,377	\$89,013	

B. No Change.

29. No Change.

30. No Change.

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

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[ ] No[ ] N/A[X]  
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. 12/31/2005.....

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). 10/31/2007.....

6.4 By what department or departments?

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

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

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

7.2 If yes, give full information

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]

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

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

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

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

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]

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

**FINANCIAL**

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 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: \$ ..... 10,098,185

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: .....

**GENERAL INTERROGATORIES (Continued)**

		1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21	Bonds .....		
14.22	Preferred Stock .....		
14.23	Common Stock .....		
14.24	Short-Term Investments .....		
14.25	Mortgages Loans on Real Estate .....		
14.26	All Other .....	15,630,026	17,142,529
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	15,630,026	17,142,529
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

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

Yes[ ] No[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

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
FirstMerit Trust Company .....	4481 Munson St. NW #200, Canton, OH 44718 .....
The Vanguard Group .....	P.O. Box 2600, Valley Forge, PA 19482 .....

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

1 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 - HEALTH**

1. Operating Percentages:

1.1 A&H loss percent	.....	88.000%
1.2 A&H cost containment percent	.....	1.000%
1.3 A&H expense percent excluding cost containment expenses	.....	9.000%

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

Yes[ ] No[X]

\$..... 0

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

Yes[ ] No[X]

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

\$..... 0

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

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

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
			<b>N O N E</b>			

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS****Current Year to Date - Allocated by States and Territories**

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama (AL) .....	N .....								
2. Alaska (AK) .....	N .....								
3. Arizona (AZ) .....	N .....								
4. Arkansas (AR) .....	N .....								
5. California (CA) .....	N .....								
6. Colorado (CO) .....	N .....								
7. Connecticut (CT) .....	N .....								
8. Delaware (DE) .....	N .....								
9. District of Columbia (DC) .....	N .....								
10. Florida (FL) .....	N .....								
11. Georgia (GA) .....	N .....								
12. Hawaii (HI) .....	N .....								
13. Idaho (ID) .....	N .....								
14. Illinois (IL) .....	N .....								
15. Indiana (IN) .....	N .....								
16. Iowa (IA) .....	N .....								
17. Kansas (KS) .....	N .....								
18. Kentucky (KY) .....	N .....								
19. Louisiana (LA) .....	N .....								
20. Maine (ME) .....	N .....								
21. Maryland (MD) .....	N .....								
22. Massachusetts (MA) .....	N .....								
23. Michigan (MI) .....	N .....								
24. Minnesota (MN) .....	N .....								
25. Mississippi (MS) .....	N .....								
26. Missouri (MO) .....	N .....								
27. Montana (MT) .....	N .....								
28. Nebraska (NE) .....	N .....								
29. Nevada (NV) .....	N .....								
30. New Hampshire (NH) .....	N .....								
31. New Jersey (NJ) .....	N .....								
32. New Mexico (NM) .....	N .....								
33. New York (NY) .....	N .....								
34. North Carolina (NC) .....	N .....								
35. North Dakota (ND) .....	N .....								
36. Ohio (OH) .....	L .....	146,813,859	179,306,765		11,186,882			337,307,507	
37. Oklahoma (OK) .....	N .....								
38. Oregon (OR) .....	N .....								
39. Pennsylvania (PA) .....	N .....								
40. Rhode Island (RI) .....	N .....								
41. South Carolina (SC) .....	N .....								
42. South Dakota (SD) .....	N .....								
43. Tennessee (TN) .....	N .....								
44. Texas (TX) .....	N .....								
45. Utah (UT) .....	N .....								
46. Vermont (VT) .....	N .....								
47. Virginia (VA) .....	N .....								
48. Washington (WA) .....	N .....								
49. West Virginia (WV) .....	N .....								
50. Wisconsin (WI) .....	N .....								
51. Wyoming (WY) .....	N .....								
52. American Samoa (AS) .....	N .....								
53. Guam (GU) .....	N .....								
54. Puerto Rico (PR) .....	N .....								
55. U.S. Virgin Islands (VI) .....	N .....								
56. Northern Mariana Islands (MP) .....	N .....								
57. Canada (CN) .....	N .....								
58. Aggregate other alien (OT) .....	XXX .....								
59. Subtotal .....	XXX .....	146,813,859	179,306,765		11,186,882			337,307,507	
60. Reporting entity contributions for Employee Benefit Plans .....	XXX .....								
61. Total (Direct Business) .....	(a) .....	1	146,813,859	179,306,765		11,186,882			337,307,507

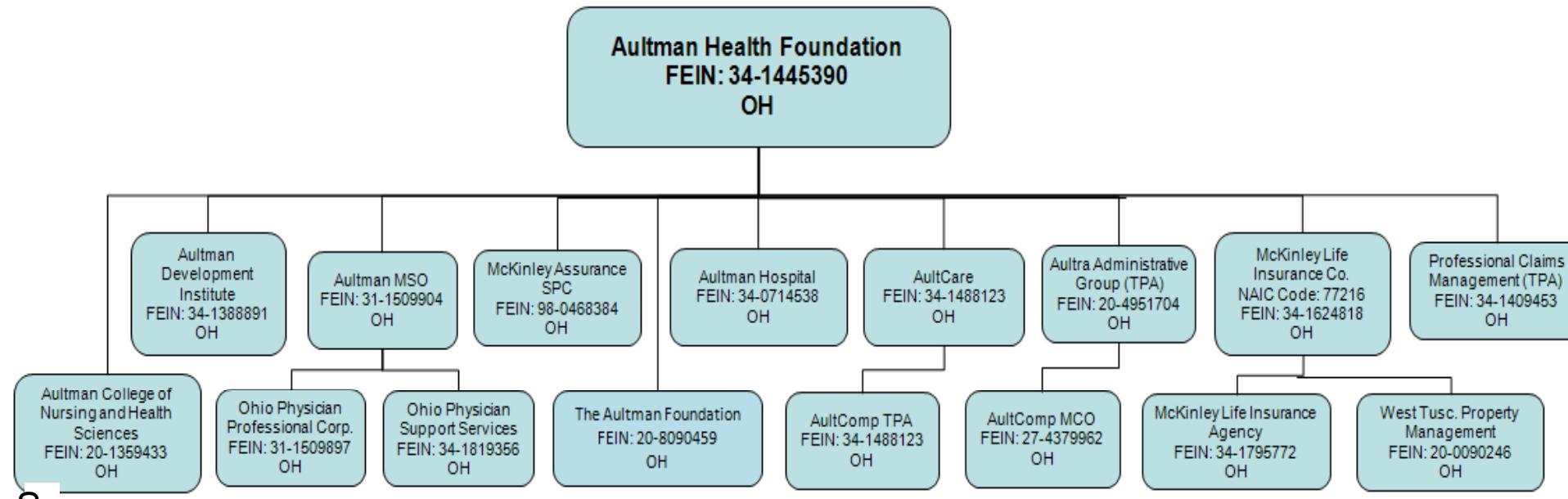
**DETAILS OF WRITE-INS**

5801. ....	XXX .....								
5802. ....	XXX .....								
5803. ....	XXX .....								
5898. Summary of remaining write-ins for Line 58 from overflow page .....	XXX .....								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	XXX .....								

(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**





## **SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

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

**RESPONSE**

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

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



7721620113650003

2011

Document Code: 365



STATEMENT AS OF **September 30, 2011** OF THE **McKinley Life Insurance Company**  
**SCHEDULE A - VERIFICATION**

**Real Estate**

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

**SCHEDULE B - VERIFICATION**  
**Mortgage Loans**

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

**SCHEDULE BA - VERIFICATION**  
**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	15,630,026	17,268,504
2. Cost of acquired:	.....	.....
2.1 Actual cost at time of acquisition .....	1,496,404	2,200,000
2.2 Additional investment made after acquisition .....	.....	.....
3. Capitalized deferred interest and other .....	.....	.....
4. Accrual of discount .....	.....	(205,107)
5. Unrealized valuation increase (decrease) .....	.....	(3,633,371)
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) .....	17,126,429	15,630,026
12. Deduct total nonadmitted amounts .....	.....	.....
13. Statement value at end of current period (Line 11 minus Line 12) .....	17,126,429	15,630,026

**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 .....	71,069,403	66,945,075
2. Cost of bonds and stocks acquired .....	11,014,777	14,826,062
3. Accrual of discount .....	28,529	37,179
4. Unrealized valuation increase (decrease) .....	(1,112,004)	1,051,658
5. Total gain (loss) on disposals .....	(1,043)	(2,032)
6. Deduct consideration for bonds and stocks disposed of .....	7,403,000	11,625,000
7. Deduct amortization of premium .....	65,952	163,539
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) .....	73,530,709	71,069,403
11. Deduct total nonadmitted amounts .....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11) .....	73,530,709	71,069,403

**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) .....	57,999,825	4,013,172	3,171,000	(10,323)	55,687,632	57,999,825	58,831,674	55,531,759
2. Class 2 (a) .....	.....	.....	.....	.....	.....	.....	.....	.....
3. Class 3 (a) .....	.....	.....	.....	.....	.....	.....	.....	.....
4. Class 4 (a) .....	.....	.....	.....	.....	.....	.....	.....	.....
5. Class 5 (a) .....	.....	.....	.....	.....	.....	.....	.....	.....
6. Class 6 (a) .....	.....	.....	.....	.....	.....	.....	.....	.....
7. Total Bonds .....	57,999,825	4,013,172	3,171,000	(10,323)	55,687,632	57,999,825	58,831,674	55,531,759
<b>PREFERRED STOCK</b>								
8. Class 1 .....	.....	.....	.....	.....	.....	.....	.....	.....
9. Class 2 .....	.....	.....	.....	.....	.....	.....	.....	.....
10. Class 3 .....	.....	.....	.....	.....	.....	.....	.....	.....
11. Class 4 .....	.....	.....	.....	.....	.....	.....	.....	.....
12. Class 5 .....	.....	.....	.....	.....	.....	.....	.....	.....
13. Class 6 .....	.....	.....	.....	.....	.....	.....	.....	.....
14. Total Preferred Stock .....	.....	.....	.....	.....	.....	.....	.....	.....
15. Total Bonds & Preferred Stock .....	57,999,825	4,013,172	3,171,000	(10,323)	55,687,632	57,999,825	58,831,674	55,531,759

(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. <b>Totals</b> .....	.....	XXX .....	.....	.....	.....

**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 .....	.....	.....
2. Cost of short-term investments acquired .....	.....	.....
3. Accrual of discount .....	.....	.....
4. Unrealized valuation increase (decrease) .....	.....	.....
5. Total gain (loss) on disposals .....	.....	.....
6. Deduct consideration received on disposals .....	.....	.....
7. Deduct amortization of premium .....	.....	.....
8. Total foreign exchange change in book/adjusted carrying value .....	.....	.....
9. Deduct current year's other than temporary impairment recognized .....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	.....	.....
11. Deduct total nonadmitted amounts .....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11) .....	.....	.....

**SI04 Schedule DB - Part A Verification .....** **NONE**

**SI04 Schedule DB - Part B Verification .....** **NONE**

**SI05 Schedule DB Part C Section 1 .....** **NONE**

**SI06 Schedule DB Part C Section 2 .....** **NONE**

**SI07 Schedule DB - Verification .....** **NONE**

**SCHEDULE E - Verification**  
**(Cash Equivalents)**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of cash equivalents acquired .....		
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....		
7. Deduct amortization of premium .....		
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....		
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....		

**E01 Schedule A Part 2 .....** **NONE**

**E01 Schedule A Part 3 .....** **NONE**

**E02 Schedule B Part 2 .....** **NONE**

**E02 Schedule B Part 3 .....** **NONE**

**SCHEDULE BA - PART 2****Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter**

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
<b>Non-collateral Loans - Affiliated</b>												
	AultCare - Affiliated .....	Canton .....	Ohio .....	McKinley Life Insurance Co. .....	77216 .....	01/01/2009 .....		5,417,482 .....	1,496,404 .....			
2699999 Subtotal - Non-collateral Loans - Affiliated .....								5,417,482 .....	1,496,404 .....			XXX .....
3999999 Total - Unaffiliated .....												XXX .....
4099999 Total - Affiliated .....								5,417,482 .....	1,496,404 .....			XXX .....
4199999 TOTALS .....								5,417,482 .....	1,496,404 .....			XXX .....

**SCHEDULE BA - PART 3****Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter**

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value					15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9 + 10 - 11 + 12)	14 Total Foreign Exchange Change in B./A.C.V.					
3999999 Total - Unaffiliated .....																		
4099999 Total - Affiliated .....																		
4199999 TOTALS .....																		

QE03

**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)
<b>Bonds - U.S. Governments</b>									
313374YA2	FHLB		07/27/2011	FIRSTMERIT TRUST	XXX	1,000,000	1,000,000.00		1
31331KSC5	FFCB		07/20/2011	FIRSTMERIT TRUST	XXX	1,004,500	1,000,000.00	69	1
313375EV5	FHLB		08/22/2011	FIRSTMERIT TRUST	XXX	500,000	500,000.00		1
464287176	ISHARE BARCLAYS TIPS BOND FUND		08/22/2011	FIRSTMERIT TRUST	XXX	501,875	493,290.80	345	1
912828RE2	U.S. TREASURY NOTES		09/08/2011	FIRSTMERIT TRUST	XXX	502,344	500,000.00	165	1
912828RC6	U.S. TREASURY NOTES		09/08/2011	FIRSTMERIT TRUST	XXX	504,453	500,000.00	693	1
0599999 Subtotal - Bonds - U.S. Governments					XXX	4,013,172	3,993,290.80	1,272	XXX
8399997 Subtotal - Bonds - Part 3					XXX	4,013,172	3,993,290.80	1,272	XXX
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX
8399999 Subtotal - Bonds					XXX	4,013,172	3,993,290.80	1,272	XXX
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX
9899999 Subtotal - Preferred and Common Stocks					XXX		XXX		XXX
9999999 Total - Bonds, Preferred and Common Stocks					XXX	4,013,172	XXX	1,272	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 Stocks Sold, Redeemed, or Otherwise Disposed of  
During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i n g	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					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)
										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.							
<b>Bonds - U.S. Governments</b>																					
3137EAAF6 .	FHLMC .....		07/18/2011	FIRSTMERIT .....	.... XXX .....	.... 425,000 .....	.... 425,000.00 .....	.... 425,570 .....	.... 425,063 .....	.... (57) .....	.... (1,458) .....	.... (999) .....	.... (57) .....	.... (1,458) .....	.... (999) .....	.... 425,006 .....	.... (6) .....	.... 22,313 .....	07/18/2011	1 .....	
9128277B2 .	U.S. TREASURY NOTES .....		08/15/2011	FIRSTMERIT .....	.... XXX .....	.... 1,000,000 .....	.... 1,000,000.00 .....	.... 1,012,500 .....	.... 1,001,562 .....	.... (1,458) .....	.... (999) .....	.... 1,001,003 .....	.... 1,000,004 .....	.... (1,000,004) .....	.... (103) .....	.... 50,000 .....	.... (103) .....	.... 08/15/2011	1 .....		
31331GN96 .	FFCB .....		09/01/2011	FIRSTMERIT .....	.... XXX .....	.... 1,000,000 .....	.... 1,000,000.00 .....	.... 1,003,000 .....	.... 1,001,003 .....	.... (999) .....	.... 12 .....	.... 12 .....	.... 12 .....	.... 12 .....	.... 12 .....	.... 1,000,004 .....	.... (4) .....	.... 13,000 .....	09/01/2011	1 .....	
3136FPJP3 .	FNMA .....		09/28/2011	FIRSTMERIT .....	.... XXX .....	.... 500,000 .....	.... 500,000.00 .....	.... 499,900 .....	.... 499,905 .....	.... 12 .....	.... 12 .....	.... 12 .....	.... 12 .....	.... 12 .....	.... 499,917 .....	.... 83 .....	.... 10,000 .....	09/28/2011	1 .....		
300185AU9 .	EVERGREEN BK GRP CD .....		09/30/2011	FIRSTMERIT .....	.... XXX .....	.... 246,000 .....	.... 246,000.00 .....	.... 246,000 .....	.... 246,138 .....	.... (138) .....	.... (138) .....	.... (138) .....	.... (138) .....	.... (138) .....	.... 246,000 .....	.... 83 .....	.... 261 .....	09/30/2011	1 .....		
0599999 Subtotal - Bonds - U.S. Governments .....					.... XXX .....	.... 3,171,000 .....	.... 3,171,000.00 .....	.... 3,186,970 .....	.... 3,173,670 .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... 3,171,030 .....	.... (30) .....	.... (30) .....	.... 95,574 .....	X XX .....	.. XXX .....	
8399997 Subtotal - Bonds - Part 4 .....					.... XXX .....	.... 3,171,000 .....	.... 3,171,000.00 .....	.... 3,186,970 .....	.... 3,173,670 .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... 3,171,030 .....	.... (30) .....	.... (30) .....	.... 95,574 .....	X XX .....	.. XXX .....	
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly) .....					.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....
8399999 Subtotal - Bonds .....					.... XXX .....	.... 3,171,000 .....	.... 3,171,000.00 .....	.... 3,186,970 .....	.... 3,173,670 .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... 3,171,030 .....	.... (30) .....	.... (30) .....	.... 95,574 .....	X XX .....	.. XXX .....	
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) .....					.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly) .....					.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....
9899999 Subtotal - Preferred and Common Stocks .....					.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....	.... XXX .....
9999999 Total - Bonds, Preferred and Common Stocks .....					.... XXX .....	.... 3,171,000 .....	.... XXX .....	.... 3,186,970 .....	.... 3,173,670 .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... (2,640) .....	.... 3,171,030 .....	.... (30) .....	.... (30) .....	.... 95,574 .....	X XX .....	.. XXX .....	

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

**E06 Schedule DB Part A Section 1 .....** **NONE**

**E07 Schedule DB Part B Section 1 .....** **NONE**

**E08 Schedule DB Part D .....** **NONE**

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

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

**SCHEDULE E - PART 1 - CASH****Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
<b>open depositories</b>									
FirstMerit Bank - Trust .....	Canton, Ohio .....		0.010 .....	85 .....		604,279 .....	935,380 .....	1,543,121 .....	XXX .....
FirstMerit Bank - Brokered CDs .....	Canton, Ohio .....		0.010 .....	3 .....		31,334 .....	38,449 .....	289,214 .....	XXX .....
Huntington National Bank .....	Canton, Ohio .....					4,903,073 .....	6,938,431 .....	19,814,217 .....	XXX .....
FirstMerit Bank-ST CDs .....	Canton, Ohio .....								XXX .....
Huntington National Bank .....	Canton, Ohio .....					12,971,254 .....	13,774,715 .....	11,586,877 .....	XXX .....
FirstMerit Bank - PIMCO .....	Canton, Ohio .....					5 .....	5 .....	5 .....	5 XXX .....
0199998 Deposits in .....	0 depositories that do not exceed the allowable limit in any one depository - open depositories .....	XXX .....	XXX .....						XXX .....
0199999 Totals - Open Depositories .....		XXX .....	XXX .....	88 .....		18,509,945 .....	21,686,979 .....	33,233,434 .....	XXX .....
0299998 Deposits in .....	0 depositories that do not exceed the allowable limit in any one depository - suspended depositories .....	XXX .....	XXX .....						XXX .....
0299999 Totals - Suspended Depositories .....		XXX .....	XXX .....						XXX .....
0399999 Total Cash On Deposit .....		XXX .....	XXX .....	88 .....		18,509,945 .....	21,686,979 .....	33,233,434 .....	XXX .....
0499999 Cash in Company's Office .....		XXX .....	XXX .....	XXX .....	XXX .....				XXX .....
0599999 Total Cash .....		XXX .....	XXX .....	88 .....		18,509,945 .....	21,686,979 .....	33,233,434 .....	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
8699999 Total - Cash Equivalents .....							

**N O N E**



## **MEDICARE PART D COVERAGE SUPPLEMENT**

### **Net of Reinsurance**

NAIC Group Code: 0000

NAIC Company Code: 77216

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected .....		XXX .....		XXX .....	
2. Earned Premiums .....		XXX .....		XXX .....	XXX .....
3. Claims Paid .....		XXX .....		XXX .....	
4. Claims Incurred .....		XXX .....		XXX .....	XXX .....
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a) .....	XXX .....		XXX .....		
6. Aggregate Policy Reserves - change .....		XXX .....		XXX .....	XXX .....
7. Expenses Paid .....		XXX .....		XXX .....	
8. Expenses Incurred .....		XXX .....		XXX .....	XXX .....
9. Underwriting Gain or Loss .....		XXX .....		XXX .....	XXX .....
10. Cash Flow Results .....	XXX .....	XXX .....	XXX .....	XXX .....	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.....0 due from CMS or \$.....0 due to CMS

# **INDEX TO HEALTH QUARTERLY STATEMENT**

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11  
Accounting Practices and Policies; Q5; Q10, Note 1  
Admitted Assets; Q2  
Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05  
Bonuses; Q3; Q4; Q8; Q9  
Borrowed Funds; Q3; Q6  
Business Combinations and Goodwill; Q10, Note 3  
Capital Gains (Losses)  
    Realized; Q4  
    Unrealized; Q4; Q5  
Capital Stock; Q3; Q10, Note 13  
Capital Notes; Q6; Q10, Note 11  
Caps; QE06; QSI04  
Cash; Q2; Q6; QE11  
Cash Equivalents; Q2; Q6; QE12  
Claims; Q3; Q4; Q8; Q9  
Collars; QE06; QSI04  
Commissions; Q6  
Common Stock; Q2; Q3; Q6; Q11.1; Q11.2  
Cost Containment Expenses; Q4  
Contingencies; Q10, Note 14  
Counterparty Exposure; Q10, Note 8; QE06; QE08  
Debt; Q10, Note 11  
Deferred Compensation; Q10, Note 12  
Derivative Instruments; Q10, Note 8; QSI04; QSI05; QSI06; QSI07; QE06; QE07; QE08  
Discontinued Operations; Q10, Note 4  
Electronic Data Processing Equipment; Q2  
Encumbrances; Q2; QSI01; QE01  
Emergency Room; Q4  
Expenses; Q3; Q4; Q6  
Extinguishment of Liabilities; Q10, Note 17  
Extraordinary Item; Q10, Note 21  
Fair Value; Q7, Note 20  
Fee for Service; Q4  
Foreign Exchange; Q2; Q3; Q5; QSI01; QSI03; QE01; QE02; QE03; QE05  
Forwards; QE06; QSI04  
Furniture, Equipment and Supplies; Q2  
Guaranty Fund; Q2  
Health Care Receivables; Q2; Q9; Q10, Note 28  
Hospital/Medical Benefits; Q4  
Incentive Pools; Q3; Q4; Q8; Q9  
Income; Q4; Q5; Q6  
Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9  
Incurred Claims and Claim Adjustment Expenses; Q10, Note 25  
Intercompany Pooling; Q10, Note 26  
Investment Income; Q10, Note 7  
    Accrued; Q2  
    Earned; Q2; QSI03  
    Received; Q6  
Investments; Q10, Note 5; Q11.1; Q11.2; QE08  
Joint Venture; Q10, Note 6  
Leases; Q10, Note 15  
Limited Liability Company (LLC); Q10, Note 6  
Limited Partnership; Q10, Note 6  
Long-Term Invested Assets; Q2; QE03  
Managing General Agents; Q10, Note 19  
Medicare Part D Coverage; QSupp1  
Member Months; Q4; Q7  
Mortgage Loans; Q2; Q6; Q11.1; QSI01; QE02  
Nonadmitted Assets; Q2; Q5; QSI01; QSI03  
Off-Balance Sheet Risk; Q10, Note 16  
Options; QE06; QSI04  
Organizational Chart; Q11; Q14  
Out-of-Area; Q4  
Outside Referrals; Q4  
Parent, Subsidiaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1  
Participating Policies; Q10, Note 29  
Pharmaceutical Rebates; Q10, Note 28  
Policyholder Dividends; Q5; Q6  
Postemployment Benefits; Q10, Note 12  
Postretirement Benefits; Q10, Note 12  
Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2  
Premium Deficiency Reserves; Q10, Note 30

## **INDEX TO HEALTH QUARTERLY STATEMENT**

### Premiums and Considerations

Advance; Q3  
Collected; Q6  
Deferred; Q2  
Direct; Q7; Q13  
Earned; Q7  
Retrospective; Q2  
Uncollected; Q2  
Unearned; Q4  
Written; Q4; Q7

### Prescription Drugs; Q4

### Quasi Reorganizations; Q10, Note 13

### Real Estate; Q2; Q6; QE01; QSI01

### Redetermination, Contracts Subject to; Q10, Note 24

### Reinsurance; Q9; Q10, Note 23

Ceded; Q3; Q12  
Funds Held; Q2  
Payable; Q3  
Premiums; Q3  
Receivable; Q2; Q4  
Unauthorized; Q3; Q5

### Reserves

Accident and Health; Q3; Q4  
Claim; Q3; Q5; Q8  
Life; Q3

### Retirement Plans; Q10, Note 12

### Retrospectively Rated Policies; Q10, Note 24

### Risk Revenue; Q4

### Salvage and Subrogation; Q10, Note 31

### Securities Lending; Q2; Q3; QE09; QE10

### Servicing of Financial Assets; Q10, Note 17

### Short-Term Investments; Q2; Q6; Q11.1; QSI03

### Stockholder Dividends; Q5; Q6

### Subsequent Events; Q10, Note 22

### Surplus; Q3; Q5; Q6

### Surplus Notes; Q3; Q5; Q6

### Swaps; QE07; QSI04

### Synthetic Assets; QSI04; QSI05

### Third Party Administrator; Q10, Note 19

### Treasury Stock; Q3; Q5

### Uninsured Accident and Health; Q2; Q3; Q10, Note 18

### Valuation Allowance; QSI01

### Wash Sales; Q10, Note 17

### Withholds; Q4; Q8