



QUARTERLY STATEMENT
AS OF September 30, 2011
OF THE CONDITION AND AFFAIRS OF THE
KAISER FOUNDATION HEALTH PLAN OF OHIO

NAIC Group Code	0601 (Current Period)	0601 (Prior Period)	NAIC Company Code	95204	Employer's ID Number	34-0922268
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	03/29/1962		Commenced Business	10/27/1976		
Statutory Home Office	1001 Lakeside Ave. Suite 1200 (Street and Number)		Cleveland , OH 44114-1153 (City, or Town, State and Zip Code)			
Main Administrative Office	1001 Lakeside Ave. Suite 1200 (Street and Number)					
	Cleveland, OH 44114-1153 (City or Town, State and Zip Code)		(216)621-5600 (Area Code) (Telephone Number)			
Mail Address	1001 Lakeside Ave. Suite 1200 (Street and Number or P.O. Box)		Cleveland, OH 44114-1153 (City, or Town, State and Zip Code)			
Primary Location of Books and Records	1001 Lakeside Ave. Suite 1200 (Street and Number)					
	Cleveland , OH 44114-1153 (City, or Town, State and Zip Code)		(216)621-5600 (Area Code) (Telephone Number)			
Internet Web Site Address	KP.org					
Statutory Statement Contact	Scott D. Gonia (Name)		(216)479-5116 (Area Code)(Telephone Number)(Extension)			
	Scott.D.Gonia@kp.org (E-Mail Address)		(216)623-8793 (Fax Number)			

OFFICERS

Name	Title
George C. Halvorson	Chairman of the Board & CEO
Donna Lynne	Group President, Regions Outside California
Patricia D. Kennedy-Scott	Regional President
Kathy Lancaster	Executive Vice President-CFO
Arthur M. Southam MD	Executive Vice President-Health Plan Operations
Bernard J. Tyson	President and Chief Operating Officer
Mark S. Zemelman	Senior Vice President, General Counsel, Secretary
Thomas R. Meier	Senior Vice President and Treasurer
Don H. Orndoff	Senior Vice President, National Facilities Service
Deborah Stokes	Senior Vice President, Controller and CAO

Vice Presidents

DIRECTORS OR TRUSTEES

George C. Halvorson	Christine K. Cassel MD	Thomas W. Chapman EdD	Daniel P. Garcia JD	Cynthia A. Telles PhD
Jenny J. Ming	J. Neal Purcell	J. Eugene Grigsby, III PhD	Philip A. Marineau	Kim J. Kaiser
William R. Graber	Judith A. Johansen JD	Edward Pei		

State of Ohio
County of Cuyahoga ss

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

(Signature)	(Signature)	(Signature)
Patricia D. Kennedy-Scott	Mark S. Zemelman	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Regional President	Senior Vice President, General Counsel, Secretary	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this	a. Is this an original filing?	Yes[X] No[]
day of , 2011	b. If no,	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	

(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	December 31 Prior Year Net Admitted Assets
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1.	Bonds	102,620,873		102,620,873	97,544,695
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks				
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate:				
4.1	Properties occupied by the company (less \$.....0 encumbrances)	53,284,687		53,284,687	53,932,639
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....23,695,659), cash equivalents (\$.....0) and short-term investments (\$.....4,058,622)	27,754,281		27,754,281	69,061,320
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives				
8.	Other invested assets				
9.	Receivables for securities	679,909		679,909	
10.	Securities lending reinvested collateral assets				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	184,339,750		184,339,750	220,538,654
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	710,106		710,106	715,593
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	9,491,213		9,491,213	11,691,835
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers				
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software	614,373	381,589	232,784	299,852
21.	Furniture and equipment, including health care delivery assets (\$.....9,197,836)	10,050,386	852,550	9,197,836	10,234,879
22.	Net adjustments in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	1,089,274		1,089,274	1,115,963
24.	Health care (\$.....2,086,345) and other amounts receivable	2,788,819	513,956	2,274,863	1,678,302
25.	Aggregate write-ins for other than invested assets	2,399,051	2,399,051		
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	211,482,972	4,147,146	207,335,826	246,275,078
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	211,482,972	4,147,146	207,335,826	246,275,078
DETAILS OF WRITE-INS					
1101.	.....				
1102.	.....				
1103.	.....				
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Prepaid & Other Current Assets	2,399,051	2,399,051		
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,399,051	2,399,051		

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.0 reinsurance ceded)	32,316,918		32,316,918	37,106,295
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	1,049,900		1,049,900	1,049,900
4.	Aggregate health policy reserves	5,300,000		5,300,000	11,700,000
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	18,011,453		18,011,453	9,420,367
9.	General expenses due or accrued	1,700,961		1,700,961	2,166,087
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				
12.	Amounts withheld or retained for the account of others	116,589		116,589	285,080
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	11,831,875		11,831,875	31,569,473
16.	Derivatives				
17.	Payable for securities	1,590,984		1,590,984	
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties with (\$.0 authorized reinsurers and \$.0 unauthorized reinsurers)				
20.	Reinsurance in unauthorized companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including \$.0 current)	98,543,250		98,543,250	110,881,791
24.	Total liabilities (Lines 1 to 23)	170,461,930		170,461,930	204,178,993
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X		
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	12,043	12,043
29.	Surplus notes	X X X	X X X	65,000,000	60,000,000
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	(28,138,147)	(17,915,958)
32.	Less treasury stock, at cost:				
32.1	0 shares common (value included in Line 26 \$.0)	X X X	X X X		
32.2	0 shares preferred (value included in Line 27 \$.0)	X X X	X X X		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	36,873,896	42,096,085
34.	Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	207,335,826	246,275,078
DETAILS OF WRITE-INS					
2301.	Post Retirement	42,802,794		42,802,794	37,077,337
2302.	Accrued Payroll and Related	10,656,618		10,656,618	9,378,476
2303.	Professional and Public Liability				14,764,873
2398.	Summary of remaining write-ins for Line 23 from overflow page	45,083,838		45,083,838	49,661,105
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	98,543,250		98,543,250	110,881,791
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	X X X	996,464	1,151,900	1,518,461
2.	Net premium income (including \$.....0 non-health premium income)	X X X	404,933,242	419,829,704	555,729,112
3.	Change in unearned premium reserves and reserves for rate credits	X X X			
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X	1,619,014	2,964,651	3,672,930
5.	Risk revenue	X X X			
6.	Aggregate write-ins for other health care related revenues	X X X			
7.	Aggregate write-ins for other non-health revenues	X X X			
8.	Total revenues (Lines 2 to 7)	X X X	406,552,256	422,794,355	559,402,042
Hospital and Medical:					
9.	Hospital/medical benefits		125,422,650	139,754,228	184,731,467
10.	Other professional services		53,694,261	52,441,031	71,608,558
11.	Outside referrals		40,468,142	45,930,374	60,103,399
12.	Emergency room and out-of-area		25,498,033	33,693,672	42,897,900
13.	Prescription drugs		42,269,753	41,856,759	56,062,245
14.	Aggregate write-ins for other hospital and medical		91,453,474	82,767,540	117,578,796
15.	Incentive pool, withhold adjustments and bonus amounts				
16.	Subtotal (Lines 9 to 15)		378,806,313	396,443,604	532,982,365
Less:					
17.	Net reinsurance recoveries				
18.	Total hospital and medical (Lines 16 minus 17)		378,806,313	396,443,604	532,982,365
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including \$.....5,397,439 cost containment expenses		9,485,965	8,784,566	11,870,517
21.	General administrative expenses		36,268,823	37,232,931	50,647,646
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		(6,400,000)	21,500,000	11,700,000
23.	Total underwriting deductions (Lines 18 through 22)		418,161,101	463,961,101	607,200,528
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(11,608,845)	(41,166,746)	(47,798,486)
25.	Net investment income earned		1,217,735	1,082,574	2,588,354
26.	Net realized capital gains (losses) less capital gains tax of \$.....0		412,999	1,703	(187,790)
27.	Net investment gains or (losses) (Lines 25 plus 26)		1,630,734	1,084,277	2,400,564
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		267,956	465,662	609,626
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(9,710,155)	(39,616,807)	(44,788,296)
31.	Federal and foreign income taxes incurred	X X X			
32.	Net income (loss) (Lines 30 minus 31)	X X X	(9,710,155)	(39,616,807)	(44,788,296)
DETAILS OF WRITE-INS					
0601.	.....	X X X			
0602.	.....	X X X			
0603.	.....	X X X			
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X			
0701.	.....	X X X			
0702.	.....	X X X			
0703.	.....	X X X			
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401.	Occupancy, Depreciation and Amortization		8,643,279	8,628,902	12,338,311
1402.	Medical Office Facilities		22,925,997	22,588,888	30,421,749
1403.	Professional Liability Insurance		2,357,615	(5,625,937)	(3,664,285)
1498.	Summary of remaining write-ins for Line 14 from overflow page		57,526,583	57,175,687	78,483,021
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		91,453,474	82,767,540	117,578,796
2901.	Miscellaneous		267,956	465,662	609,626
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)		267,956	465,662	609,626

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year	42,096,085	40,644,103	40,644,103
34.	Net income or (loss) from Line 32	(9,710,155)	(39,616,807)	(44,788,296)
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			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			
39.	Change in nonadmitted assets	(1,360,727)	(915,122)	(293,439)
40.	Change in unauthorized reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes	5,000,000	45,000,000	45,000,000
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
44.1	Paid in			
44.2	Transferred from surplus (Stock Dividend)			
44.3	Transferred to surplus			
45.	Surplus adjustments:			
45.1	Paid in			
45.2	Transferred to capital (Stock Dividend)			
45.3	Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus	848,693	(140,473)	1,533,717
48.	Net change in capital and surplus (Lines 34 to 47)	(5,222,189)	4,327,598	1,451,982
49.	Capital and surplus end of reporting period (Line 33 plus 48)	36,873,896	44,971,701	42,096,085
DETAILS OF WRITE-INS				
4701.	Cumulative Effect of Change in Accounting Principle_ Adopting FIN 47			
4702.	Change in Restricted Donations		(522)	(522)
4703.	Additional minimum liability Pension	848,693	(139,951)	1,534,239
4798.	Summary of remaining write-ins for Line 47 from overflow page			
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	848,693	(140,473)	1,533,717

CASH FLOW

		1	2	3
		Current	Prior	Prior
		Year	Year	Year Ended
		To Date	To Date	December 31
Cash from Operations				
1.	Premiums collected net of reinsurance	409,324,950	439,735,675	564,098,634
2.	Net investment income	1,772,948	1,316,434	3,048,779
3.	Miscellaneous income	647,137	3,009,915	3,989,690
4.	Total (Lines 1 to 3)	411,745,035	444,062,024	571,137,103
5.	Benefit and loss related payments	377,195,690	418,093,893	540,339,392
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	45,951,959	45,638,728	61,437,971
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)			
10.	Total (Lines 5 through 9)	423,147,649	463,732,621	601,777,363
11.	Net cash from operations (Line 4 minus Line 10)	(11,402,614)	(19,670,597)	(30,640,260)
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds	36,614,465	35,265,200	46,496,167
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	4,281,836	3,076,617	4,321,991
12.8	Total investment proceeds (Lines 12.1 to 12.7)	40,896,301	38,341,817	50,818,158
13.	Cost of investments acquired (long-term only):			
13.1	Bonds	42,187,785	100,918,717	109,004,991
13.2	Stocks			
13.3	Mortgage loans			
13.4	Real estate	2,362,394	3,245,553	4,703,712
13.5	Other invested assets			
13.6	Miscellaneous applications		6,822,924	7,184,093
13.7	Total investments acquired (Lines 13.1 to 13.6)	44,550,179	110,987,194	120,892,796
14.	Net increase (or decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(3,653,878)	(72,645,377)	(70,074,638)
Cash from Financing and Miscellaneous Sources				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes	5,000,000	45,000,000	45,000,000
16.2	Capital and paid in surplus, less treasury stock			
16.3	Borrowed funds			
16.4	Net deposits on deposit-type contracts and other insurance liabilities			
16.5	Dividends to stockholders			
16.6	Other cash provided (applied)	(31,250,547)	21,415,274	33,342,652
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(26,250,547)	66,415,274	78,342,652
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(41,307,039)	(25,900,700)	(22,372,246)
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year	69,061,320	91,433,566	91,433,566
19.2	End of period (Line 18 plus Line 19.1)	27,754,281	65,532,866	69,061,320

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

20.0001				
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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	122,342	6,782	89,587				7,711	18,262		
2. First Quarter	113,877	6,219	81,692				8,044	17,922		
3. Second Quarter	109,910	6,148	77,928				8,007	17,827		
4. Third Quarter	105,867	5,991	74,141				7,970	17,765		
5. Current Year										
6. Current Year Member Months	996,464	55,943	707,811				72,137	160,573		
Total Member Ambulatory Encounters for Period:										
7. Physician	297,045	14,032	162,094				24,677	96,242		
8. Non-Physician	75,765	3,499	43,044				6,947	22,275		
9. Total	372,810	17,531	205,138				31,624	118,517		
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions	8,444	415	3,577				616	3,836		
12. Health Premiums Written (a)	404,933,242	14,312,300	247,567,327				33,533,502	109,520,113		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	404,933,242	14,312,300	247,567,327				33,533,502	109,520,113		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	383,595,690	12,718,253	249,242,659				30,184,116	91,450,662		
18. Amount Incurred for Provision of Health Care Services	378,806,313	12,638,071	245,457,353				29,636,968	91,073,921		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....109,520,113.

STATEMENT AS OF **September 30, 2011** OF THE **KAISER FOUNDATION HEALTH PLAN OF OHIO**

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

Aging Analysis of Unpaid Claims						
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 days	Over 120 Days	Total
Individually Listed Claims Unpaid						
Due to Ohio Permanente Medical Group	8,387,830	3,381,360				11,769,190
0199999 Individually Listed Claims Unpaid	8,387,830	3,381,360				11,769,190
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	6,226,660					6,226,660
0499999 Subtotals	14,614,490	3,381,360				17,995,850
0599999 Unreported claims and other claim reserves						14,321,068
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						32,316,918
0899999 Accrued Medical Incentive Pool And Bonus Amounts						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5	6
		1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical)	23,869,806	238,091,107	635,592	25,046,662	24,505,398	29,547,742
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan	2,750,368	27,433,747	70,301	2,770,356	2,820,669	3,387,805
6.	Title XVIII - Medicare	8,332,959	83,117,703	93,896	3,700,111	8,426,855	4,170,748
7.	Title XIX - Medicaid						
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	34,953,133	348,642,557	799,789	31,517,129	35,752,922	37,106,295
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pools and bonus amounts						
13.	Totals (Lines 9 - 10 + 11 + 12)	34,953,133	348,642,557	799,789	31,517,129	35,752,922	37,106,295

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

Notes to Financial Statement

Kaiser Foundation Health Plan of Ohio

Notes to Financial Statements

For the Year Ended September 30, 2011 and the Year Ended December 31, 2010

1) Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of Kaiser Foundation Health Plan of Ohio ("Health Plan") have been prepared in conformity with the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures* manual, ("NAIC SAP"), the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the State of Ohio – Ohio Department of Insurance (ODI). There were no reported differences to net income, statutory surplus, or risk-based capital for specific practices, prescribed or permitted by the State of Ohio, that deviate from NAIC SSAP in the reported periods.

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

The preparation of the statutory financial statements in conformity with NAIC SAP, the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the ODI requires management to make estimates and assumptions that affect the reported amounts. Allowance for uncollectible accounts receivable, Medicare revenue accruals, Medicare payables and reserves, incurred but not reported medical claims, pension and postretirement benefit liabilities, premium deficiency reserves, self-insured professional, general and workers' compensation liabilities, real estate, property, and equipment, investment impairments and other charges represent significant estimates. Actual results could differ materially from those estimates. With respect to employee benefit plans, as occurs from time to time, negotiations with labor partners may result in changes to compensation and benefits. These changes are reflected in the statutory financial statements as appropriate when agreements are finalized.

C. Accounting Policies

Cash and Short Term Investments

Cash (including overdrafts) and short-term investments include interest-bearing deposits purchased with maturities of twelve months or less. Cash and investments that are restricted per regulatory requirements are classified as bonds and other invested assets and excluded from cash and short-term investments.

Premiums Receivable

Premiums receivable are reported net of nonadmitted balances. Certain receivables are not admissible in accordance with the NAIC SAP. Nonadmitted amounts consist of all nongovernmental premiums receivable greater than 90 days past due. In addition, when premiums receivable greater than 90 days past due is more than a de minimus portion of the entire premiums receivable balance, the entire premiums receivable balance is nonadmitted.

Bonds and Other Invested Assets

Bonds and other invested assets include U.S. Treasury and government-sponsored agencies, mortgage and asset-backed securities, industrial and miscellaneous bonds and all other government bonds. Recognized gains and losses, which are recorded on the specific identification basis, and interest income are included in net investment and other income.

Bonds are reported in accordance with NAIC Annual Statement instructions (Statement Value). Accordingly, bonds that are designated highest quality, NAIC Designation 1 and 2, are reported at amortized cost using the effective interest method, and bonds that are classified as NAIC Designation 3 or lower are reported at lower of amortized cost or fair value.

Adjustments are made prospectively and repayment assumptions are obtained from a third-party vendor data source for mortgage and asset-backed securities and collateralized mortgage obligations. The amortization method used is the scientific method.

Investments are regularly reviewed for impairment and a charge is recognized when the fair value is below cost basis and is judged to be other-than-temporary. Impairment is included in recognized losses. In its review of assets for impairment that is deemed other-than-temporary, management generally follows the following guidelines:

Notes to Financial Statement

- Substantially all investments are managed by outside investment managers who do not need KFHP's management pre-approval for sales, and substantially all declines in value below cost are recognized as impairments that are other-than-temporary.
- For other securities, losses are recognized for known matters, such as bankruptcies, regardless of ownership period, and investments that have been continuously below book value for an extended period of time are evaluated for impairment that is other-than-temporary.

Health Plan's investment transactions are recorded on a trade date basis.

Health Plan is required to keep investments on deposit in the State of Ohio, where it is licensed. At both September 30, 2011 and December 31, 2010, \$400 thousand in long-term U.S. Treasury notes were restricted to satisfy the state's regulatory requirements.

Real Estate, Property and Equipment

Real estate, property and equipment which includes land, buildings and improvements, furniture and equipment are stated at cost less accumulated depreciation and amortization. Interest is capitalized on facilities construction in process and is added to the cost of the underlying asset, in accordance with Statement of Statutory Accounting Principles (SSAP) No. 44, *Capitalization of Interest Cost*. Depreciation begins when the project is substantially complete and ready for its intended use. Software is amortized on a straight-line basis over three years. Buildings and equipment are depreciated on a straight line basis over the estimated useful lives of the various classes of assets, generally ranging from 3 to 33 years.

Management evaluates alternatives for delivering services which may affect the current and future utilization of existing and planned assets and could result in an adjustment to the carrying values of such land, buildings, equipment, and software in the future. Management evaluates and records impairment losses, where applicable, based on expected utilization, projected cash flows, and recoverable values.

Maintenance and repairs are expensed as incurred. Major improvements that increase the estimated useful life of an asset are capitalized. Upon the sale or retirement of assets, recorded cost and related accumulated depreciation are removed from the accounts, and any gain or loss on disposal is reflected in operations.

Included in property and equipment are health care delivery assets representing pharmaceutical inventory, as well as medical center furniture, fixtures, and equipment used in direct delivery of care. Pharmaceutical inventories are included in the furniture and equipment category.

Pharmaceutical inventory is not subject to depreciation. Medical center furniture, fixtures, and equipment used in the direct delivery of care are depreciated over their estimated useful lives for a period not to exceed three years.

Self Insured Risks

Costs associated with self insured risks, primarily for general and workers' compensation liabilities are charged to operations based upon actual and estimated claims. The estimate for incurred but not reported self insured claims is based on actuarial projections of costs using historical claims and other relevant data. Estimates are monitored and reviewed and, as settlements are made or estimates are revised, differences are reflected in current operations. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate payments for self insured claims are dependent on future developments, management is of the opinion that the reserve for self insured risks is adequate. Insurance coverage, in excess of the per occurrence self insured retention, has been secured with affiliated and unaffiliated insurers for specified amounts for workers' compensation and general liabilities. Decisions relating to the limit and scope of the self insured layer and the amounts of excess insurance purchased are reviewed each year, subject to management's analysis of actuarial loss projections and the price and availability of acceptable commercial insurance.

Reserves for Unpaid Claims and Claims Adjustment Expense

The cost of health care services is recognized in the period in which services are provided. Reserves for unpaid claims and claims adjustment expense consists of unpaid health care expenses, which include an estimate of the cost of services provided to Health Plan's members by third party providers that have been incurred but not reported. The estimate for incurred but not reported claims is based on actuarial projections of costs using historical paid claims and other relevant data. Estimates are monitored and reviewed and, as settlements are made or estimates are revised, adjustments are reflected in current operations. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate

Notes to Financial Statement

amount of paid claims is dependent on future developments, management is of the opinion that the reserves for claims are adequate to cover such claims.

Health Plan contracts with The Ohio Permanente Medical Group, P.C. (the Medical Group) to provide or arrange medical services for members. Included in the reserves for unpaid claims and claims adjustment expense is Health Plan's due to associated medical group. Due to associated medical group consists primarily of unpaid medical expenses owed to the Medical Group for medical services provided to members under a medical services agreement with Health Plan. Under the agreement, Health Plan reimburses the Medical Group for cost of physician services provided by Medical Group and claims expense for referred medical services. The cost of medical services, including an estimate of claims incurred but not reported, is recognized by Health Plan in the period in which services are provided and is reflected as a component of medical and hospital expenses.

Premium Deficiency Reserves

Premium deficiency reserves and the related expense are recognized when it is probable that expected future health care costs and maintenance costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries over the contract period. Expected investment income is included in the calculation for premium deficiency reserves. The level at which contracts are grouped for evaluation purposes is generally by geographic region. The methods for making such estimates and for establishing the resulting reserves are reviewed and updated, and any resulting adjustments are reflected in current operations. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided.

Donations and Grants Made or Received

Donations and grants made are recognized at fair value in the period in which a commitment is made, provided the payment of the donation or grant is probable and the amount is determinable. Donations or grants received, including research grants, are recognized at fair value in the period the donation or grant was committed unconditionally by the grantor or in the period the donation or grant requirements are met, if later.

Revenue Recognition

Net premium revenue includes premiums from employer groups, individuals and Medicare. Revenue is recognized over the period in which the members are entitled to health care services.

The majority of Health Plan's Medicare revenue is paid based on pre-established rates, and the final settlement is made after fiscal year-end. During the nine months ended September 30, 2011, Health Plan recorded unfavorable adjustments to Medicare revenue of \$538 thousand. In 2010, Health Plan recorded unfavorable adjustments to Medicare revenue of \$2.0 million, due to the adjustments to reserve for prior year Medicare Cost report.

In addition, Medicare benefits include a voluntary prescription drug benefit (Part D). Revenues for Part D include capitated payments made from Medicare adjusted for health risk factor scores. Revenues also include amounts to reflect a portion of the health care costs for low-income Medicare beneficiaries and a risk sharing arrangement to limit the exposure to unexpected expenses. Related accruals are recognized monthly based on cumulative experience and membership data. Part D revenue is finalized after all data is submitted to Medicare, and the final settlement is made after the end of the fiscal year.

Medicare Cost revenue and Medicare Part D revenue are subject to governmental audits and potential payment adjustments. The Centers for Medicare & Medicaid Services performs coding audits to validate the supporting documentation maintained by Health Plan and its care providers. These coding audits may results in retrospective payment adjustments to Health Plan.

Premiums collected in advance are deferred and recorded as premiums received in advance. Revenue is adjusted to reflect estimates of collectability, including retroactive membership adjustment trends and economic conditions. Revenue and related receivables are exclusive of charity care. A portion of revenues derived under contracts with the United States Office of Personnel Management is subject to audit and potential retrospective adjustments.

Pension and Other Postretirement Benefits

Health Plan participates in defined benefit pension and postretirement plans that are administered by KFHP. The plans are accounted for within the framework of SSAP No. 89, *Accounting for Pensions*, A Replacement of SSAP No. 8, and SSAP No. 14, *Postretirement Benefits Other than Pensions*, respectively. The plans are actuarially evaluated and involve various assumptions. Critical assumptions include the discount rate and the expected rate of return on plan assets (for pension), which are important elements of expense and/or liability measurement. Other assumptions involve demographic factors such as retirement age, mortality, turnover and the rate of compensation increases. KFHP evaluates

Notes to Financial Statement

assumptions annually and modifies them as appropriate. Pension and postretirement costs are allocated over the service period of the employees in the plan.

KFHP uses a discount rate to determine the present value of the future benefit obligations. The discount rate is established based on rates available for high-quality fixed-income debt at the measurement date whose maturity dates match the expected cash flows of the retirement plans.

To determine the expected long-term rate of return on pension plan assets, KFHP considers the current and expected asset allocation, as well as historical and expected returns for each plan asset class. Any difference between actual and expected plan experience, including asset return experience, in excess of a 10% corridor around the larger of assets or liabilities, is recognized in the net periodic pension calculation over the expected average future service of the current employees, which is approximately 13 years.

Cost Allocations

For reporting lines of business activity, expenses are allocated based on utilization and experience.

Reclassifications

Certain reclassifications were made in the 2010 statutory financial statements to conform to the 2011 presentation.

Consistent with the December 31, 2010 amended annual filing, General and Administrative expenses have been restated for 2010 to better reflect the administrative costs related to insurance operations and to ensure consistency with the methodology used in the Medical Loss Ratio exhibit.

- 2) Accounting Changes and Corrections of Errors
- No significant changes from 2010 annual statement.
- 3) Business Combinations and Goodwill
- No significant changes from 2010 annual statement.
- 4) Discontinued Operations
- No significant changes from 2010 annual statement.
- 5) Investments

- D) Loan-Backed Securities
- (1) & (2) Fair Values and Concentrations of Credit Risk

At September 30, 2011, Health Plan held loan-backed securities with the following fair values and concentrations credit risk:

<u>Type</u>	<u>Class</u>	<u>Book Value</u>	<u>Fair Value</u>
Residential & Commercial Mortgage Backed	Industrial & Misc	\$ 5,701,962	\$ 5,711,217
Total		<u>\$5,701,962</u>	<u>\$5,711,217</u>

Other than temporary impairment recognized for the year ended September 30, 2011 related to loan-backed securities is as follows:

Notes to Financial Statement

Classification	Amortized cost before OTTI	Recognized OTTI	Fair value at Time of OTTI
Inability or lack of intent to retain - Q1	\$ 1,021,744	\$ 2,435	\$ 1,019,309
Inability or lack of intent to retain - Q2	920,227	2,549	917,678
Inability or lack of intent to retain - Q3	3,932,813	14,572	3,918,241
Total	<u>\$ 5,874,784</u>	<u>\$ 19,556</u>	<u>\$ 5,855,228</u>

(3) Loan-backed securities held as of September 30, 2011 with a 2011 recognized other-than-temporary impairment are as follows:

CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Recognized other-than- temporary impairment	Amortized Cost after other-than- temporary impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
52108H-UM-4	\$461,248	1,543	\$459,705	\$459,705	3/31/2011
14041N-ED-9	\$560,496	892	\$559,604	\$559,604	3/31/2011
07383FAT5	\$470,226	2,294	\$467,932	\$467,932	6/30/2011
70659PAB7	\$450,001	255	\$449,746	\$449,746	6/30/2011
36828QDN3	\$940,170	2,569	\$937,601	\$937,601	9/30/2011
20047AAD2	\$914,282	3,236	\$911,046	\$911,046	9/30/2011
12513EAF1	\$475,207	1,685	\$473,522	\$473,522	9/30/2011
59023BAD6	\$296,930	2,036	\$294,894	\$294,894	9/30/2011
36828QRX6	\$171,275	2,196	\$169,079	\$169,079	9/30/2011
36828QRX6	\$121,432	1,296	\$120,136	\$120,136	9/30/2011
20047GBQ9	\$549,719	704	\$549,015	\$549,015	9/30/2011
07383FAT5	\$463,798	850	\$462,948	\$462,948	9/30/2011
Total	<u>\$5,874,784</u>	<u>\$19,556</u>	<u>\$5,855,228</u>	<u>\$5,855,228</u>	

6) Joint Ventures, Partnerships & Limited Liability Companies

No significant changes from 2010 annual statement.

7) Investment Income

No significant changes from 2010 annual statement.

8) Derivative Instruments

No significant changes from 2010 annual statement.

9) Income Taxes

No significant changes from 2010 annual statement.

10) Information Concerning Parent, Subsidiaries and Affiliates

Health Plan is a subsidiary of Kaiser Foundation Health Plan, Inc. (KFHP). KFHP is affiliated with Kaiser Foundation Hospitals (Hospitals) because their governing boards and management are substantially the same.

Health Plan contracts with Kaiser Foundation Hospitals to provide or arrange hospital services to members. Based upon the terms of the Hospital Service Agreement, Health Plan paid \$50.2 million and \$76.2 million to Hospitals for the nine months ended September 30, 2011 and for the year ended December 31, 2010, respectively.

Costs of services provided by KFHP and Hospitals to Health Plan were based on the actual cost incurred to provide those services. Services provided include, but are not limited to the following: information technology, treasury, general management, administrative support, and transaction processing. Charges for services provided by KFHP and Hospitals were approximately \$41.9 million and \$58.0 million for the nine months ended September 30, 2011 and the year ended December 31, 2010, respectively.

Notes to Financial Statement

Additionally, Health Plan has purchased professional liability and other insurance from Lokahi Assurance, Ltd. and Ordway Indemnity, Ltd. (subsidiaries of KFHP). Health Plan's premium expense under these arrangements for the nine months ended September 30, 2011 and the year ended December 31, 2010 was \$2.6 million and \$(3.3) million, respectively. For the year ended December 31, 2010, the expense included a refund of \$9.4 million related to prior years.

Health Plan is contracted by Kaiser Permanente Insurance Company, a subsidiary of KFHP, to provide administrative services including, but not limited to, product development, rating and underwriting, marketing and sales, advertising, claims adjudication, member services, utilization management, and premium billing and collection. Pursuant to this contract, Health Plan received revenues of \$731 thousand and \$1.2 million for the nine months ended September 30, 2011 and the year ended December 31, 2010, respectively.

Health Plan has also entered into reciprocal business relationships with KFHP whereby Health Plan and KFHP and its subsidiaries provide medical services to visiting members. Net revenue recorded for services provided by Health Plan for the nine months ended September 30, 2011 and the year ended December 31, 2010 was \$701 thousand and \$794 thousand, respectively. Net expense for services provided to Health Plan members for the nine months ended September 30, 2011 and the year ended December 31, 2010 was \$702 thousand and \$716 thousand, respectively.

Health Plan has a guarantee agreement with the parent, KFHP, in which the parent, without exception, guarantees all obligations of Health Plan, including a guarantee to provide health care services to Health Plan's subscribers, enrollees and dependents in the event that Health Plan is discontinued prior to the expiration of Health Plan's contracts.

Due from Hospitals generally represents amounts held and invested by affiliated organizations for the benefit of Health Plan in accordance with an agreement to manage excess funds. Due to Hospitals generally represents funds transferred by Hospitals to Health Plan to satisfy Health Plan's operational requirements. Due from (due to) Hospitals included a liability for payment of Hospitals' reserves for unpaid claims of \$10.7 million and \$11.5 million as of September 30, 2011 and December 31, 2010, respectively. Hospitals' claims expense was included in Health Plan's medical and hospital expenses.

In the first quarter of 2011, Health Plan transferred \$13.7 million in professional liability to Lokahi Assurance, Ltd., with an offsetting cash transfer.

Health Plan participates in the Intercompany Lending Agreement, whereby funds are loaned to Health Plan from affiliates as needed and settled on a periodic basis. In June 2011, Health Plan used proceeds from the sale of short-term investments to settle \$40 million due to Hospitals under the lending agreement.

Amounts due to and from related parties at September 30, 2011 and December 31, 2010:

Due to Related Parties:

Kaiser Foundation Health Plan, Inc.	\$ 9,800,456	\$ 5,872,123
Kaiser Foundation Hospitals	-	20,588,175
Kaiser Permanente Insurance Corp	1,757,591	3,668,672
Other Related Parties	273,828	1,440,503
Total Due to Related Parties	<u>\$ 11,831,875</u>	<u>\$ 31,569,473</u>

Due from Related Parties:

Kaiser Foundation Hospitals	216,699	-
Kaiser Permanente Insurance Corp	-	688,594
Lokahi Assurance, Ltd.	872,575	44,219
Other Related Parties	-	383,149
Total Due from Related Parties	<u>\$ 1,089,274</u>	<u>\$ 1,115,962</u>

11) Debt

No significant changes from 2010 annual statement.

12) Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences, and Post-retirement Benefit Plans

No significant changes from 2010 annual statement.

13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

Notes to Financial Statement

In March 2011, Health Plan issued a subordinated note (the Note) to Hospitals in the amount of \$5.0 million with interest payable annually at 7.5 %. The Note is payable seven years from issuance and is due in March 2018. Payment of principal or interest of the Note is subject to approval by the Ohio Department of Insurance, and is subordinated to the prior payment of all general liabilities of Health Plan and the claims of its policyholders and all classes of creditors. Unapproved interest payable at September 30, 2011 and December 31, 2010 totaled \$6.0 million and \$2.3 million, respectively. The Note, which was issued to maintain risk-based capital requirements, has been recorded as an increase to capital for statutory purposes. Unapproved interest payable is not accrued for statutory purposes.

14) Contingencies

- No significant changes from 2010 annual statement.

15) Leases

No significant changes from 2010 annual statement.

16) Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

No significant changes from 2010 annual statement.

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

Health Plan has no transactions subject to the disclosure requirements of this footnote during the reporting period. Health Plan had no transfers of receivables or transfers of financial assets. SSAP No. 91R, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities (SSAP No.91R)*, paragraph 100 requires a reporting entity to disclose any wash sales involving securities with a NAIC designation of 3 or below. Health Plan's investment strategy does not include purchasing any securities with a NAIC designation of 3 or below. During 2011 and 2010, Health Plan did not participate in any wash sale as defined by SSAP No. 91.

18) Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

Health Plan had no ASO or ASC plans on which to report. See Revenue Recognition in Note 1C – Accounting Policies.

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

No significant changes from 2010 annual statement.

20) Fair Value Measurements

Investments are measured at fair value on a recurring basis. This includes securities reported at the lower of cost or fair value based on NAIC designation regardless if the security was reported in the previous period at amortized costs. The estimated fair value of investments is based on level 2 inputs.

Investments at statement value and estimated fair value, at September 30, 2011 included:

Notes to Financial Statement

September 30, 2011	Statement value	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Short-term investments:				
Money market funds	\$ 4,058,622	\$ —	\$	\$ 4,058,622
Industrial and Miscellaneous Bonds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total short-term investments	<u>4,058,622</u>	<u>—</u>	<u>—</u>	<u>4,058,622</u>
Bonds and other invested assets:				
U.S. Treasury and government-sponsored agencies	27,711,814	656,579	—	28,368,393
All other government bonds	3,011,630	51,057	—	3,062,687
Loan-backed and/or structured securities	5,701,962	9,255	—	5,711,217
Industrial and miscellaneous bonds	<u>66,195,467</u>	<u>1,327,805</u>	<u>—</u>	<u>67,523,272</u>
Total bonds and other invested assets	<u>102,620,873</u>	<u>2,044,696</u>	<u>—</u>	<u>104,665,569</u>
Total investments	<u>\$ 106,679,495</u>	<u>\$ 2,044,696</u>	<u>\$ —</u>	<u>\$ 108,724,191</u>

21) Other Items

No significant changes from 2010 annual statement.

22) Events Subsequent

No significant changes from 2010 annual statement.

23) Reinsurance

No significant changes from 2010 annual statement.

24) Retrospectively Rated Contracts

No significant changes from 2010 annual statement.

25) Change in Incurred Claims and Claim Adjustment Expenses

Analysis of claims activity as of and for the nine months ended September 30, 2011 and for the year ended December 31, 2010 (in thousands):

	9/30/2011	12/31/2010
Claims Payable:		
Balance at Beginning of Period	\$37,106	\$32,763
Balance at End of Period	32,317	37,106
Change in Claims Payable - Increase (Decrease)	<u>(4,789)</u>	<u>4,343</u>
Incurred Claims:		
Insured Events of Current Year	380,159	534,162
Increase/(Decrease) Insured Events of Prior Year	<u>(1,353)</u>	<u>(1,180)</u>
Total Incurred Claims	<u>378,806</u>	<u>532,982</u>
Payment of Claims:		
Claims Incurred in Prior Years	34,953	31,142
Claims Incurred in Current Year	<u>348,642</u>	<u>497,497</u>
Total Claims Paid	<u>\$383,595</u>	<u>\$528,639</u>

No additional premiums or return premiums have been accrued as a result of the prior-year effects.

26) Intercompany Pooling Arrangements

No significant changes from 2010 annual statement.

27) Structured Settlements

No significant changes from 2010 annual statement.

28) Health Care Receivables

No significant changes from 2010 annual statement.

29) Participating Policies

No significant changes from 2010 annual statement.

30) Premium Deficiency Reserves

At September 30, 2011, Health Plan established premium deficiency reserves of \$5.3 million related to 2011 and 2012 expected losses on contracts. The liability was established based on evaluation of contracts at September 30, 2011. Anticipated investment income was utilized in the calculation of expected losses.

31) Anticipated Salvage and Subrogation

No significant changes from 2010 annual statement.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

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

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

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

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

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

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

1	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?
If yes, attach an explanation.

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

12/31/2008
- 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.

12/31/2008
- 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).

07/27/2009
- 6.4 By what department or departments?
Ohio Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

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

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

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

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

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

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

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

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

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

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

FINANCIAL

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

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

\$..... 1,089,274

INVESTMENT

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

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

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

\$..... 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[] No[X]

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.2 If yes, please complete the following:

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

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?
15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.
- Yes[] No[X]
Yes[] No[] N/A[X]
16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[X] No[]

1 Name of Custodian(s)	2 Custodian Address
KeyBank association	PO Box 94718 Cleveland, OH 44144
State Street Bank	444 South Flower Street, 45th Floor, Los Angeles, California 90071

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?
16.4 If yes, give full and complete information relating thereto:
- Yes[] No[X]

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
104973	Wells Capital Management	525 Market St., 10th Fl, San Francisco, CA 94510

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
17.2 If no, list exceptions:
- Yes[X] No[]

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent	93.000%
1.2 A&H cost containment percent	1.000%
1.3 A&H expense percent excluding cost containment expenses	10.000%
2.1 Do you act as a custodian for health savings accounts?	Yes[] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$..... 0
2.3 Do you act as an administrator for health savings accounts?	Yes[] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$..... 0

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

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
			NONE			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

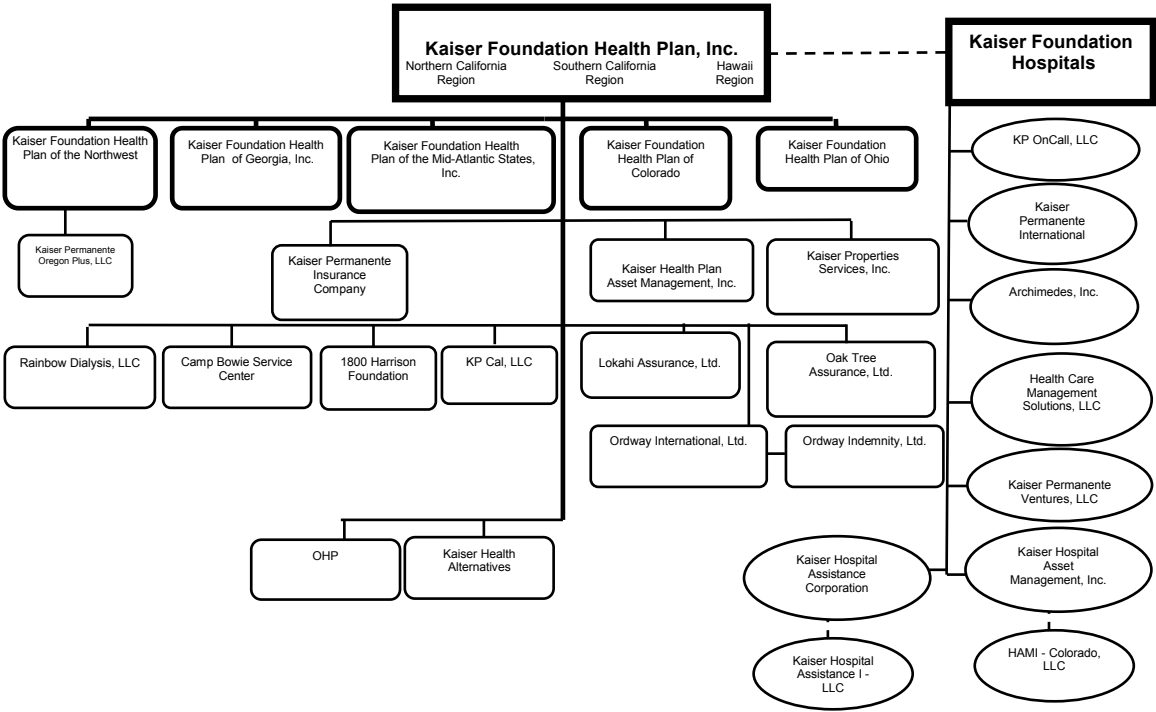
Current Year to Date - Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	N								
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	L	261,879,627	109,520,113		33,533,502			404,933,242	
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	261,879,627	109,520,113		33,533,502			404,933,242	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	Total (Direct Business)	(a)..... 1	261,879,627	109,520,113		33,533,502			404,933,242	
DETAILS OF WRITE-INS										
5801.	.....	X X X								
5802.	.....	X X X								
5803.	.....	X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

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

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART
KAISER FOUNDATION HEALTH PLAN, INC. AND KAISER FOUNDATION HOSPITALS
SUBSIDIARIES AND AFFILIATED CORPORATIONS
SEPTEMBER 30, 2011



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

RESPONSE
No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Workers Comp	3,230,789		3,230,789	3,150,661
2305. Rent Payable	465,732		465,732	796,924
2306. Pension Liability	27,019,449		27,019,449	26,626,366
2307. Medicare Reserves / Payables	14,367,868		14,367,868	19,087,154
2308.				
2309.				
2397. Summary of remaining write-ins for Line 23 (Lines 2304 through 2396)	45,083,838		45,083,838	49,661,105

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
	X X X			
0604.	X X X			
0605.	X X X			
0606.	X X X			
0607.	X X X			
0608.	X X X			
0609.	X X X			
0610.	X X X			
0611.	X X X			
0612.	X X X			
0613.	X X X			
0614.	X X X			
0697. Summary of remaining write-ins for Line 6 (Lines 0604 through 0696)	X X X			
1404. Medical Administration		50,532,398	50,339,626	68,354,780
1405. Other Benefits (Home Care, Hospice, Admn Excep, DME) excluding payroll		4,054,290	4,877,634	6,322,851
1406. Community Service		2,939,895	1,958,427	3,805,390
1407.				
1408.				
1409.				
1410.				
1411.				
1412.				
1413.				
1414.				
1497. Summary of remaining write-ins for Line 14 (Lines 1404 through 1496)		57,526,583	57,175,687	78,483,021

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
4704.			
4705.			
4706.			
4707.			
4797. Summary of remaining write-ins for Line 47 (Lines 4704 through 4796)			

STATEMENT AS OF **September 30, 2011** OF THE **KAISER FOUNDATION HEALTH PLAN OF OHIO**
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	53,932,639	52,420,396
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	2,362,394	6,755,969
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	3,010,346	5,243,726
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	53,284,687	53,932,639
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	53,284,687	53,932,639

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

SCHEDULE D - VERIFICATION

Bonds and Stocks		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	97,544,695	36,146,557
2. Cost of bonds and stocks acquired	42,187,785	109,004,991
3. Accrual of discount	54,535	71,856
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	412,999	173,379
6. Deduct consideration for bonds and stocks disposed of	36,614,465	46,496,167
7. Deduct amortization of premium	604,261	994,752
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	360,415	361,169
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	102,620,873	97,544,695
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	102,620,873	97,544,695

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

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	91,844,142	19,088,291	19,214,955	177,841	131,722,302	91,844,142	91,895,319	143,009,897
2. Class 2 (a)	13,425,469	3,259,815	1,313,274	(587,833)	12,934,561	13,425,469	14,784,177	9,848,718
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	105,269,611	22,348,106	20,528,229	(409,992)	144,656,863	105,269,611	106,679,496	152,858,615
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	105,269,611	22,348,106	20,528,229	(409,992)	144,656,863	105,269,611	106,679,496	152,858,615

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

SCHEDULE DA - PART 1

Short - Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	4,058,622	X X X	4,058,622	786	

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	55,313,919	67,638,071
2.	Cost of short-term investments acquired	39,806,810	80,035,534
3.	Accrual of discount	3,850	
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		(1,547)
6.	Deduct consideration received on disposals	91,065,957	92,336,003
7.	Deduct amortization of premium		22,136
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)	4,058,622	55,313,919
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	4,058,622	55,313,919

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SCHEDULE E - Verification
(Cash Equivalents)

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....	.....	9,667,055
2.	Cost of cash equivalents acquired .....	.....	.....
3.	Accrual of discount .....	.....	945
4.	Unrealized valuation increase (decrease) .....	.....	.....
5.	Total gain (loss) on disposals .....	.....	.....
6.	Deduct consideration received on disposals .....	.....	9,668,000
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

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
912828RF9	US Treasury N/B		09/29/2011	HSBC Securities	X X X	675,844	675,000.00	630	1
0599999 Subtotal - Bonds - U.S. Governments					X X X	675,844	675,000.00	630	X X X
Bonds - U.S. States, Territories and Possessions									
13063A5F7	California St		07/07/2011	Goldman Sachs Co	X X X	650,150	610,000.00	9,669	1FE
1799999 Subtotal - Bonds - U.S. States, Territories and Possessions					X X X	650,150	610,000.00	9,669	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
0010EQAB2	AEP Texas North Company Series B		08/04/2011	STERNE AGEE & LEACH IN.	X X X	245,042	230,000.00	5,552	2FE
00440EAN7	Ace Ina Holdings Inc		07/18/2011	Wells Fargo Securities	X X X	607,830	600,000.00	2,513	1FE
14040HAV7	Capital One Financial Co		07/14/2011	Barclays Capital Inc	X X X	744,590	745,000.00	2FE	2FE
20047AAD2	Commercial Mortgage Pass-Throu 2004-LB2A		09/28/2011	CREDIT RESEARCH + TRADING LLC	X X X	914,282	870,000.00	228	1Z*
20047GBQ9	Commercial Mortgage Pass-Throu 2004-LB3A		09/15/2011	CREDIT RESEARCH + TRADING LLC	X X X	550,202	510,000.00	1,488	1Z*
202795HW3	Commonwealth Edison		07/05/2011	Credit Suisse Securities	X X X	806,320	800,000.00	6,139	2FE
25459HAN5	Directv Holdings/Fing 144A		07/19/2011	Wells Fargo Securities	X X X	454,162	430,000.00	5,385	2FE
26884TAC6	ERAC USA Finance Enterp 144A		07/05/2011	Credit Suisse Securities	X X X	75,600	75,000.00	830	2FE
36828QDN3	GE Capital Commercial Mortgage 2004-C1		07/20/2011	Credit Suisse Securities	X X X	946,828	900,000.00	2,758	1Z*
458140AH3	Intel Corp		09/14/2011	Goldman Sachs Co	X X X	673,967	675,000.00	1FE	1FE
63946BAB6	Nbcuniversal Media Llc		08/19/2011	Tax Free Exchange	X X X	499,140	500,000.00	5,526	2FE
842587CH8	Southern Co		08/16/2011	Various	X X X	699,668	700,000.00	1FE	1FE
883556BA9	Thermo Fisher Scientific Inc		08/09/2011	Oppenheimert Co Inc	X X X	1,073,130	1,075,000.00	1FE	1FE
90331HKP7	US Bank NA BKNT		08/26/2011	US Bank NA	X X X	1,093,600	1,000,000.00	16,500	1FE
94106LAX7	Waste Management Inc		08/24/2011	Chase Securities	X X X	434,961	435,000.00	2FE	2FE
067901AE8	Barrick Gold Corp	A	09/07/2011	Tax Free Exchange	X X X	624,315	625,000.00	2,917	1FE
02364WBC8	America Movil Sab De Cv	F	08/31/2011	Oppenheimert Co Inc	X X X	495,940	500,000.00	1FE	1FE
86960BAA0	Svenska Handelsbanken Ab	F	07/05/2011	Citigroup Global Markets	X X X	799,928	800,000.00	1FE	1FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	11,739,505	11,470,000.00	49,836	X X X
8399997 Subtotal - Bonds - Part 3					X X X	13,065,499	12,755,000.00	60,135	X X X
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	13,065,499	12,755,000.00	60,135	X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X		X X X		X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	13,065,499	X X X	60,135	X X X

QE04

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

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

1	2	3 F o r e i g n	4 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.								
CUSIP Identification	Description																					
Bonds - U.S. Governments																						
3133XVRS2	Federal Home Loan Bank		08/29/2011	BNP Paribus	X X X	1,504,425	1,500,000.00	1,493,910	1,496,953		2,024		2,024		1,498,978		5,447	5,447	10,083	12/28/2011	1	
0599999 Subtotal - Bonds - U.S. Governments					X X X	1,504,425	1,500,000.00	1,493,910	1,496,953		2,024		2,024		1,498,978		5,447	5,447	10,083	X X X	X X X	
Bonds - Industrial and Miscellaneous (Unaffiliated)																						
03523TAL2	Anheuser-Busch Inbev Wor		09/21/2011	RBC Capital	X X X	511,395	500,000.00	515,640	512,709		(5,186)		(5,186)		507,523		3,872	3,872	14,208	10/15/2012	1FE	
12513EAF1	Citigroup/Deutsche Bank Comm 2005-CD1		09/01/2011	Paydown	X X X	24,450	24,450.00	26,009			(1,559)		(1,559)		24,450				323	02/15/2015	1Z*	
36828QRX6	GE Capital Commercial Mortgage 2006-C1		09/01/2011	Paydown	X X X	22,633	22,633.00	23,903			(1,270)		(1,270)		22,633				306	06/10/2015	1Z*	
36962G3K8	General Elec Cap Corp MTN		07/07/2011	Barclays Capital Inc	X X X	1,056,100	1,000,000.00	1,064,222	1,041,851		(12,066)		(12,066)		1,029,785		26,315	26,315	38,208	10/19/2012	1FE	
458140AH3	Intel Corp		09/29/2011	HSBC Securities	X X X	679,361	675,000.00	673,967			6		6		673,973		5,388	5,388	438	10/01/2016	1FE	
585055AU0	Medtronic Inc.		07/11/2011	US Bank NA	X X X	642,688	625,000.00	618,838			426	3,363	(2,937)		619,245		23,443	23,443	5,423	03/15/2016	1FE	
59023BAD6	Merrill Lynch Mortgage Trust 2006-C1 ASB		09/01/2011	Paydown	X X X	16,797	16,797.00	18,051			(1,254)		(1,254)		16,797				159	08/12/2015	1Z*	
61747YDD4	Morgan Stanley		07/13/2011	Merrill Lynch Pierce Fenner	X X X	246,921	245,000.00	242,156			74	2,625	(2,551)		242,207		4,714	4,714	2,043	04/29/2016	1FE	
62875UAF2	NBC Universal		08/19/2011	Tax Free Exchange	X X X	499,140	500,000.00	498,890	499,008		132		132		499,140				14,651	04/30/2015	2FE	
067901AC2	Barrick Gold Corp Series 144A	A	09/07/2011	Tax Free Exchange	X X X	624,315	625,000.00	624,256			59		59		624,315				2,917	05/30/2014	1FE	
03938LAT1	Arcelormittal	F	08/01/2011	Chase Securities	X X X	308,640	300,000.00	298,719			147		147		298,866		9,774	9,774	4,594	03/01/2016	2FE	
45687AAB8	Ingersoll-Rand Gl Hld Co	F	08/09/2011	Morgan Stanley Co	X X X	527,045	480,000.00	532,798	525,725		(10,457)		(10,457)		515,268		11,777	11,777	28,560	08/15/2013	2FE	
822582AF9	Shell International Fin	F	07/13/2011	MIZUHO SECURITIES USA INC	X X X	324,099	300,000.00	316,230	312,646		(2,032)		(2,032)		310,614		13,485	13,485	9,767	03/21/2014	1FE	
86959LAB9	Svenska Handelsbanken AB Series 144A	F	07/05/2011	Goldman Sachs Co	X X X	614,322	600,000.00	607,164	604,595		(1,385)		(1,385)		603,210		11,112	11,112	14,088	09/14/2012	1FE	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	6,097,906	5,913,880.00	6,060,843	3,496,534		(34,365)	5,988	(40,353)		5,988,026		109,880	109,880	135,685	X X X	X X X	
8399997 Subtotal - Bonds - Part 4					X X X	7,602,331	7,413,880.00	7,554,753	4,993,487		(32,341)	5,988	(38,329)		7,487,004		115,327	115,327	145,768	X X X	X X X	
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
8399999 Subtotal - Bonds					X X X	7,602,331	7,413,880.00	7,554,753	4,993,487		(32,341)	5,988	(38,329)		7,487,004		115,327	115,327	145,768	X X X	X X X	
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
9899999 Subtotal - Preferred and Common Stocks					X X X	X X X	X X X	X X X	X X X										X X X	X X X	X X X	
9999999 Total - Bonds, Preferred and Common Stocks					X X X	7,602,331	X X X	7,554,753	4,993,487		(32,341)	5,988	(38,329)		7,487,004		115,327	115,327	145,768	X X X	X X X	

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

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D NONE

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

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

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
Citibank General 1078							(6,212,024)	(4,983,269)	(5,734,103)	X X X
Key Bank Concentration 1000							1,439,578	1,440,032	9,401,866	X X X
Misc Cash 1101 Key Bank							20,000,000	20,000,000	20,000,000	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository - open depositories			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X			15,227,554	16,456,763	23,667,763	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X			15,227,554	16,456,763	23,667,763	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X	27,896	27,896	27,896	X X X
0599999 Total Cash			X X X	X X X			15,255,450	16,484,659	23,695,659	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
NONE							
8699999 Total - Cash Equivalents							

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