



ANNUAL STATEMENT
For the Year Ending December 31, 2011
OF THE CONDITION AND AFFAIRS OF THE
Summa Insurance Company, Inc.

NAIC Group Code	3259 (Current Period)	3259 (Prior Period)	NAIC Company Code	10649	Employer's ID Number	34-1809108
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[X] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[]	
Incorporated/Organized	08/07/1995		Commenced Business	02/01/1996		
Statutory Home Office	10 North Main Street (Street and Number)		Akron, OH 44308 (City or Town, State and Zip Code)			
Main Administrative Office	Akron, OH 44308 (City or Town, State and Zip Code)		10 North Main Street (Street and Number)		(330)996-8410 (Area Code) (Telephone Number)	
Mail Address	P.O. Box 3620 (Street and Number or P.O. Box)		Akron, OH 44309 (City or Town, State and Zip Code)			
Primary Location of Books and Records	Akron, OH 44308 (City or Town, State and Zip Code)		10 North Main Street (Street and Number)		(330)996-8410 (Area Code) (Telephone Number)	
Internet Website Address	SummaCare.com		(330)996-8410-62057 (Area Code)(Telephone Number)(Extension)			
Statutory Statement Contact	Roy Douglas Hall (Name)		(330)996-8553 (Area Code)(Telephone Number)(Extension)			
	hallroy@summacare.com (E-Mail Address)		(330)996-8553 (Fax Number)			

OFFICERS

Name	Title
Martin Paul Hauser	President
William Armstrong Powel III	Secretary
Thomas Gene Knoll	Chairman #
Kathleen Tirbovich Geier	Vice Chairman #
Judith Ann Macro	Assistant Secretary #
James Edward McNutt	Assistant Treasurer #

OTHERS

Anne Armao, VP - Marketing & Product Development	Kevin Cavalier, VP - Sales
Keith Johnson, VP - Third Party Administrator	James Loveless, VP - Individual Product Line
Judith Macro, VP - Corporate Services, Compliance Officer	Nancy Markle, VP - Client Services
James McNutt, VP - Finance, CFO	Donald Novosel, VP - Contracting & Network Development
Annette Ruby, VP - Health Services Management	Claude Vincenti, Senior VP - Chief Operating Officer

DIRECTORS OR TRUSTEES

Martin Paul Hauser	Thomas Clifford Deveny M.D.
Thomas Gene Knoll	Vincent Hadar Johnson Jr. M.D.
Thomas Joseph Strauss	Dale Paterson Murphy M.D.
John Byron Silvers Ph.D.	Richard Allen Merolla
Jay Curtis Williamson M.D.	Kenneth Eugene Berkovitz M.D.
Bradley Hall Crombie M.D.	Richard Howard Marsh
Kathleen Tirbovich Geier	Rajiv Vishnu Taliwal M.D.

State of Ohio
County of Summit 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) Martin Paul Hauser (Printed Name) 1. President, CEO (Title)	(Signature) Claude Maurius Vincenti (Printed Name) 2. Senior Vice President, COO (Title)	(Signature) James Edward McNutt (Printed Name) 3. Vice President - Finance, CFO (Title)
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Subscribed and sworn to before me this 29th day of February, 2012	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 Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	14,645,194		14,645,194	15,674,241
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks	48,490,049		48,490,049	44,407,469
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
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 (\$.....8,429,984 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....1,813,397 Schedule DA)	10,243,381		10,243,381	7,946,316
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)	8,517,804	2,575,340	5,942,464	4,189,443
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	81,896,428	2,575,340	79,321,088	72,217,469
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	85,072		85,072	82,907
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	722,929	51,097	671,832	798,065
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	310,408		310,408	
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts	33,196		33,196	
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	869,881		869,881	947,548
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software	1,680,963	161,968	1,518,995	867,278
21.	Furniture and equipment, including health care delivery assets (\$.....0)	235,026	235,026		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	12,109		12,109	
24.	Health care (\$.....2,964,064) and other amounts receivable	3,971,314	1,007,250	2,964,064	220,616
25.	Aggregate write-ins for other than invested assets	72,113	72,113		
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	89,889,439	4,102,794	85,786,645	75,133,883
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	89,889,439	4,102,794	85,786,645	75,133,883
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 Expenses	72,113	72,113		
2502.	A/R - Other Operating				
2503.	Pharmacy Rebates				
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	72,113	72,113		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	17,145,575		17,145,575	16,973,286
2.	Accrued medical incentive pool and bonus amounts	56,640		56,640	202,000
3.	Unpaid claims adjustment expenses	218,512		218,512	187,607
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	5,543,201		5,543,201	4,653,762
9.	General expenses due or accrued	2,349,130		2,349,130	2,083,836
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))	1,571,049		1,571,049	579,477
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
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	3,867,878		3,867,878	1,274,759
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....1,113,858 unauthorized reinsurers)	1,113,858		1,113,858	924,549
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)	7,579		7,579	17,502
24.	TOTAL Liabilities (Lines 1 to 23)	31,873,422		31,873,422	26,896,778
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X	2,500,062	2,500,062
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	33,589,064	33,589,064
29.	Surplus notes	X X X	X X X		
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	17,877,676	12,187,642
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X	53,579	39,663
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	53,913,223	48,237,105
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	85,786,645	75,133,883
DETAILS OF WRITE-INS					
2301.	Minority Interest				
2302.	Deferred gain on sale of bonds to SummaCare, Inc.	7,579		7,579	17,502
2303.	Miscellaneous				
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	7,579		7,579	17,502
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		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	576,335	514,784
2.	Net premium income (including \$.....0 non-health premium income)	X X X	175,692,634	153,995,227
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
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	175,692,634	153,995,227
Hospital and Medical:				
9.	Hospital/medical benefits		123,792,057	111,632,301
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area			
13.	Prescription drugs		30,957,000	23,748,433
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts		69,602	138,466
16.	Subtotal (Lines 9 to 15)		154,818,659	135,519,200
Less:				
17.	Net reinsurance recoveries		1,414,417	1,113,012
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		153,404,242	134,406,188
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....357,806 cost containment expenses		1,375,852	1,258,824
21.	General administrative expenses		22,517,199	19,701,317
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)		177,297,293	155,366,329
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(1,604,659)	(1,371,102)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		320,984	397,041
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			281,683
27.	Net investment gains (losses) (Lines 25 plus 26)		320,984	678,724
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		4,519	6,689
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	(1,279,156)	(685,689)
31.	Federal and foreign income taxes incurred	X X X	(1,098,812)	88,269
32.	Net income (loss) (Lines 30 minus 31)	X X X	(180,344)	(773,958)
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 (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	.....		
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)			
2901.	Finance and service charges not included in premiums			
2902.	Write off of tax receivable			
2903.	Miscellaneous Income		4,519	6,689
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		4,519	6,689

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	48,237,105	40,767,204
34.	Net income or (loss) from Line 32	(180,344)	(773,958)
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	4,824,902	7,071,832
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(77,667)	947,548
39.	Change in nonadmitted assets	1,113,219	194,514
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock	(13,916)	(4,574)
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		9,656
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	9,924	24,883
48.	Net change in capital and surplus (Lines 34 to 47)	5,676,118	7,469,901
49.	Capital and surplus end of reporting year (Line 33 plus 48)	53,913,223	48,237,105
DETAILS OF WRITE-INS			
4701.	Deferred gain on sale of bonds to SummaCare, Inc.	9,923	24,883
4702.	Retired treasury stock		
4703.	2008 adjustments to minority interest & federal taxes		
4798.	Summary of remaining write-ins for Line 47 from overflow page	1	
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	9,924	24,883

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	176,383,866	155,217,628
2.	Net investment income	322,554	457,082
3.	Miscellaneous income		6,689
4.	Total (Lines 1 through 3)	176,706,420	155,681,399
5.	Benefit and loss related payments	153,396,477	135,714,607
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	23,592,333	20,890,134
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$(2,090,384) tax on capital gains (losses)	(2,090,384)	(3,085,737)
10.	Total (Lines 5 through 9)	174,898,426	153,519,004
11.	Net cash from operations (Line 4 minus Line 10)	1,807,994	2,162,395
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	4,500,000	10,661,683
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		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	4,500,000	10,661,683
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	3,474,688	5,008,503
13.2	Stocks		10,000,000
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	3,474,688	15,008,503
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	1,025,312	(4,346,820)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	(13,916)	5,082
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)	(522,325)	(1,272,282)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(536,241)	(1,267,200)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,297,065	(3,451,625)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	7,946,316	11,397,941
19.2	End of year (Line 18 plus Line 19.1)	10,243,381	7,946,316

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

20.0001			
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	175,692,634	171,705,629	94,836						3,892,169	
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues										X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	175,692,634	171,705,629	94,836						3,892,169	
8.	Hospital/medical benefits	123,792,057	123,733,055	59,002							X X X
9.	Other professional services										X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area										X X X
12.	Prescription drugs	30,957,000	26,817,614							4,139,386	X X X
13.	Aggregate write-ins for other hospital and medical										X X X
14.	Incentive pool, withhold adjustments and bonus amounts	69,602	69,602								X X X
15.	Subtotal (Lines 8 to 14)	154,818,659	150,620,271	59,002						4,139,386	X X X
16.	Net reinsurance recoveries	1,414,417	1,414,417								X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	153,404,242	149,205,854	59,002						4,139,386	X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....357,806 cost containment expenses	1,375,852	1,338,197	530						37,125	
20.	General administrative expenses	22,517,199	21,900,945	8,661						607,593	
21.	Increase in reserves for accident and health contracts										X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	177,297,293	172,444,996	68,193						4,784,104	
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(1,604,659)	(739,367)	26,643						(891,935)	
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	.....										X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct	Reinsurance	Reinsurance	Net Premium
Line of Business		Business	Assumed	Ceded	Income
					(Columns
					1 + 2 - 3)
1.	Comprehensive (hospital and medical)	174,228,521		2,522,892	171,705,629
2.	Medicare Supplement	94,836			94,836
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid				
8.	Other health	3,892,169			3,892,169
9.	Health subtotal (Lines 1 through 8)	178,215,526		2,522,892	175,692,634
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	178,215,526		2,522,892	175,692,634

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	154,901,208	151,100,593	48,762						3,751,853	
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	1,428,447	1,428,447								
1.4 Net	153,472,761	149,672,146	48,762						3,751,853	
2. Paid medical incentive pools and bonuses	214,962	214,962								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	17,145,575	16,744,732	13,310						387,533	
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	17,145,575	16,744,732	13,310						387,533	
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	56,640	56,640								
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year	310,410	310,410								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	17,297,726	17,294,656	3,070							
8.2 Reinsurance assumed										
8.3 Reinsurance ceded	324,440	324,440								
8.4 Net	16,973,286	16,970,216	3,070							
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	202,000	202,000								
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	154,749,057	150,550,669	59,002						4,139,386	
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	1,414,417	1,414,417								
12.4 Net	153,334,640	149,136,252	59,002						4,139,386	
13. Incurred medical incentive pools and bonuses	69,602	69,602								

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct										
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net										
2. Incurred but Unreported:										
2.1 Direct 17,145,575	17,145,575	16,744,732	13,310						387,533	
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net 17,145,575	17,145,575	16,744,732	13,310						387,533	
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct 17,145,575	17,145,575	16,744,732	13,310						387,533	
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net 17,145,575	17,145,575	16,744,732	13,310						387,533	

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical)	13,116,000	136,245,736	1,000	16,743,732	13,117,000	16,970,216
2.	Medicare Supplement	7,000	41,762		13,310	7,000	3,070
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid						
8.	Other health		3,751,853		387,533		
9.	Health subtotal (Lines 1 to 8)	13,123,000	140,039,351	1,000	17,144,575	13,124,000	16,973,286
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	214,962			56,640	214,962	202,000
13.	TOTALS (Lines 9 - 10 + 11 + 12)	13,337,962	140,039,351	1,000	17,201,215	13,338,962	17,175,286

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior	6,390	6,390	6,390	6,390	6,390
2.	2007	65,041	81,703	81,703	81,703	81,703
3.	2008	X X X	103,569	103,569	103,569	103,569
4.	2009	X X X	X X X	121,702	137,899	137,926
5.	2010	X X X	X X X	X X X	119,199	132,510
6.	2011	X X X	X X X	X X X	X X X	140,039

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior	6,390	6,390	6,390	6,390	6,390
2.	2007	79,672	81,703	81,703	81,703	81,703
3.	2008	X X X	118,533	103,762	103,569	103,569
4.	2009	X X X	X X X	140,005	137,926	137,926
5.	2010	X X X	X X X	X X X	136,348	132,511
6.	2011	X X X	X X X	X X X	X X X	157,240

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2007	97,414	81,703	12,592	15.412	94,295	96.798			94,295	96.798
2.	2008	132,972	103,569	17,169	16.577	120,738	90.800			120,738	90.800
3.	2009	145,849	137,926	15,910	11.535	153,836	105.476			153,836	105.476
4.	2010	153,981	132,510	1,379	1.040	133,889	86.951	1		133,890	86.952
5.	2011	175,693	140,039	1,164	0.831	141,203	80.369	17,201	219	158,623	90.284

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior	6,390	6,390	6,390	6,390	6,390
2.	2007	65,041	81,703	81,703	81,703	81,703
3.	2008	X X X	103,569	103,569	103,569	103,569
4.	2009	X X X	X X X	121,702	137,899	137,926
5.	2010	X X X	X X X	X X X	119,161	132,465
6.	2011	X X X	X X X	X X X	X X X	136,245

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior	6,390	6,390	6,390	6,390	6,390
2.	2007	79,672	81,703	81,703	81,703	81,703
3.	2008	X X X	118,533	103,762	103,569	103,569
4.	2009	X X X	X X X	140,005	137,926	137,926
5.	2010	X X X	X X X	X X X	136,307	132,466
6.	2011	X X X	X X X	X X X	X X X	153,045

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2007	97,414	81,703	12,592	15.412	94,295	96.798			94,295	96.798
2.	2008	132,972	103,569	17,169	16.577	120,738	90.800			120,738	90.800
3.	2009	145,849	137,926	15,910	11.535	153,836	105.476			153,836	105.476
4.	2010	153,909	132,465	1,375	1.038	133,840	86.961	1		133,841	86.961
5.	2011	171,706	136,245	1,135	0.833	137,380	80.009	16,800	213	154,393	89.917

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Medicare Supplement

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior .....	.....	.....	.....	.....	.....
2.	2007 .....	.....	.....	.....	.....	.....
3.	2008	X X X .....	.....	.....	.....	.....
4.	2009	X X X	X X X .....	.....	.....	.....
5.	2010	X X X	X X X	X X X	38	45
6.	2011	X X X	X X X	X X X	X X X	42

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior .....	.....	.....	.....	.....	.....
2.	2007 .....	.....	.....	.....	.....	.....
3.	2008	X X X .....	.....	.....	.....	.....
4.	2009	X X X	X X X .....	.....	.....	.....
5.	2010	X X X	X X X	X X X	41	45
6.	2011	X X X	X X X	X X X	X X X	55

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2007 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2008 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2009 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	2010	72	45	0	0.349	45	62.718 .....	.....	.....	45	62.718
5.	2011	95	42	1	2.007	43	45.098	13 .....	.....	56	58.782

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid	NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior .....	.....	.....	.....	.....	.....
2.	2007 .....	.....	.....	.....	.....	.....
3.	2008	X X X .....	.....	.....	.....	.....
4.	2009	X X X	X X X .....	.....	.....	.....
5.	2010	X X X	X X X	X X X .....	.....	.....
6.	2011	X X X	X X X	X X X	X X X	3,752

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior .....	.....	.....	.....	.....	.....
2.	2007 .....	.....	.....	.....	.....	.....
3.	2008	X X X .....	.....	.....	.....	.....
4.	2009	X X X	X X X .....	.....	.....	.....
5.	2010	X X X	X X X	X X X .....	.....	.....
6.	2011	X X X	X X X	X X X	X X X	4,140

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2007 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2008 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2009 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	2010 .....	.....	.....	3 .....	.....	3 .....	.....	.....	.....	3 .....	.....
5.	2011	3,892	3,752	28	0.744	3,780	97.120	388	6	4,174	107.243

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$##### for investment income)									
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)									
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)									
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) ..									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)		57,284	324,608		381,892
2.	Salaries, wages and other benefits	249,449	246,876	4,903,586		5,399,911
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)			8,292,607		8,292,607
4.	Legal fees and expenses			31,675		31,675
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services	9,251	12,326	432,391		453,968
7.	Traveling expenses	3,699	768	54,222		58,689
8.	Marketing and advertising	2,216		593,729		595,945
9.	Postage, express and telephone	7,902	63,231	375,798		446,931
10.	Printing and office supplies	3,469	301	338,363		342,133
11.	Occupancy, depreciation and amortization	25	25,604	144,839		170,468
12.	Equipment			100,549		100,549
13.	Cost or depreciation of EDP equipment and software	23,235	20	1,162,768		1,186,023
14.	Outsourced services including EDP, claims, and other services	18,376	594,182	927,864		1,540,422
15.	Boards, bureaus and association fees	671	83	8,071		8,825
16.	Insurance, except on real estate			151,924		151,924
17.	Collection and bank service charges			25	36,702	36,727
18.	Group service and administration fees	23,498		2,602,049		2,625,547
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes			1,796,993		1,796,993
23.3	Regulator authority licenses and fees					
23.4	Payroll taxes	16,015	17,371	259,740		293,126
23.5	Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses			15,398		15,398
26.	TOTAL Expenses Incurred (Lines 1 to 25)	357,806	1,018,046	22,517,199	36,702	(a) 23,929,753
27.	Less expenses unpaid December 31, current year		218,512	2,349,130		2,567,642
28.	Add expenses unpaid December 31, prior year		187,607	2,083,836		2,271,443
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	357,806	987,141	22,251,905	36,702	23,633,554
DETAILS OF WRITE-INS						
2501.	Miscellaneous Expenses			15,398		15,398
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)			15,398		15,398

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)..... 343,808	..... 343,808
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....	.....
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e)..... 13,878	..... 13,878
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 357,686	..... 357,686
11.	Investment expenses .....	.....	(g)..... 36,702
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g).....
13.	Interest expense .....	.....	(h).....
14.	Depreciation on real estate and other invested assets .....	.....	(i).....
15.	Aggregate write-ins for deductions from investment income .....	.....	.....
16.	Total deductions (Lines 11 through 15) .....	.....	..... 36,702
17.	Net Investment income (Line 10 minus Line 16) .....	.....	..... 320,984
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	..... 4,082,580	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	..... 742,322	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	.....	.....	.....	..... 4,824,902	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page ..	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) ..	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)	2,575,340	3,586,039	1,010,699
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)	2,575,340	3,586,039	1,010,699
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection	51,097	27,355	(23,742)
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
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	161,968		(161,968)
21.	Furniture and equipment, including health care delivery assets	235,026	292,394	57,368
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable	1,007,250	1,233,461	226,211
25.	Aggregate write-ins for other than invested assets	72,113	76,764	4,651
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,102,794	5,216,013	1,113,219
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	Total (Lines 26 and 27)	4,102,794	5,216,013	1,113,219
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 Expenses	72,113	76,764	4,651
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)	72,113	76,764	4,651

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	.....	.....	.....	.....	.....	.....
2.	Provider Service Organizations .....	.....	.....	.....	.....	.....	.....
3.	Preferred Provider Organizations	44,342	46,664	47,672	49,353	51,093	576,335
4.	Point of Service .....	.....	.....	.....	.....	.....	.....
5.	Indemnity Only .....	.....	.....	.....	.....	.....	.....
6.	Aggregate write-ins for other lines of business .....	.....	.....	.....	.....	.....	.....
7.	TOTAL	44,342	46,664	47,672	49,353	51,093	576,335
DETAILS OF WRITE-INS							
0601.	.....	.....	.....	.....	.....	.....	.....
0602.	.....	.....	.....	.....	.....	.....	.....
0603.	.....	.....	.....	.....	.....	.....	.....
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	.....	.....	.....	.....	.....	.....
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	.....	.....	.....	.....	.....	.....

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

Summa Insurance Company's (the Company or SIC) statutory financial statements are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (ODI).

The ODI recognizes only statutory accounting practices prescribed or permitted by the State of Ohio (the State) for determining its solvency under Ohio Insurance Law. NAIC SAP has been adopted as a component of the prescribed or permitted practices by the State with some modifications. These modifications include a five-year life on Electronic Data Processing (EDP) equipment and a 90-day limitation on collection of affiliate balances. Accordingly, the admitted assets, liabilities, capital and surplus of the Company as of December 31, 2011 and December 31, 2010 and the results of its operations and its cash flow for the years then ended have been determined in accordance with accounting principles prescribed or permitted by the ODI. Management believes the difference in capital and surplus between NAIC SAP and accounting principles prescribed or permitted by the ODI is not material.

B. Use of Estimates

The preparation of financial statements in conformity with NAIC SAP, the NAIC Annual Statement Instructions and other accounting practices prescribed or permitted by the ODI requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

C. Accounting Policy

The Company uses the following accounting policies:

1) Cash and Short-Term Investments

Cash and short-term investments include cash on hand, cash held in bank accounts (including overdrafts), interest bearing deposits, and money market instruments purchased with an original maturity of one year or less. Short-term investments are stated at amortized cost.

2) Bonds not backed by other loans are stated at amortized cost using the interest method.

3) Common stocks

The Company owns 100% of the common stock of its subsidiary, SummaCare, Inc. SummaCare's stock is valued using the audited statutory equity method.

4) Preferred stocks – None.

5) Mortgage loans on real estate – None.

6) Loan backed securities – None.

7) Investments in subsidiaries, controlled and affiliated entities

The Company carries its subsidiaries, Apex Benefits Services, LLC and Summa Insurance Agency, LLC, at audited statutory equity.

8) Investments in joint ventures, partnerships and limited liability companies – None.

9) Accounting policy for derivatives – The Company does not invest in derivative instruments.

10) The Company anticipates investment income as a factor in premium deficiency calculation, in accordance with SSAP No. 54, Individual Group Accident and Health Contracts.

11) The cost of healthcare services is recognized in the period in which services are provided. Healthcare expenses also include an estimate of the cost of services provided to SIC members by third party providers, which have been incurred but not reported to SIC. The estimate for incurred but not reported claims is based on actuarial projections of costs using historical paid claims data. Estimates are continually monitored and reviewed and, as settlements are made or estimates are adjusted, differences 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 amount of claims paid are dependent on future developments, management is of the opinion that the reserves for claims and the cost to process claims make a reasonable and appropriate provision to cover such claims.

12) The Company's capitalization policy and predefined thresholds have not changed from the prior period.

13) Pharmaceutical rebates are reported as a reduction of prescription drug expense. Receivables related to pharmaceutical rebates are recorded in accordance with SSAP No. 84, Certain Health Care Receivables

Notes to Financial Statements

and Receivables Under Government Insured Plans. Pharmacy rebates receivable are estimated by multiplying the most recent rebate received by three (three quarters).

2. Accounting Changes and Corrections of Errors

A. Material Changes in accounting principles and / or corrections of errors include – None.

3. Business Combinations and Goodwill

On December 31, 1999, SIC acquired the net assets of SummaCare, Inc. (SC), which is a for-profit Health Insuring Corporation. This business combination was accounted for as a statutory purchase pursuant to SSAP No. 68. SC's net assets were acquired in exchange for 277,000 shares of SIC Class B common stock. The cost of acquiring the net assets was less than SC's book value, accordingly, negative goodwill was recorded as a contra asset in the accompanying financial statements as of December 31, 1999.

4. Discontinued Operations – None.

5. Investments

- A. Mortgage Loans – None.**
- B. Debt Restructuring – None.**
- C. Reverse Mortgages – None.**
- D. Loan Backed Securities – None.**
- E. Repurchase Agreements – None.**
- F. Real Estate - None.**
- G. Investments in Low-Income Housing Tax Credits – None.**

6. Joint Ventures, Partnerships and Limited Liability Companies

A. For investments in joint ventures, partnerships and limited liability companies that exceed 10% of the admitted assets of the insurer.

- 1) The Company owns 100% of SummaCare, Inc.
- 2) The investment in SummaCare, Inc. is reported as common stock and valued at audited statutory equity.
- 3) There is no difference in the amount at which the investment in SummaCare, Inc. is carried and the amount of underlying equity in net assets.
- 4) There is no quoted market price available for SummaCare, Inc.
- 5) Summarized statutory financial information for SummaCare, Inc. is:

Assets - \$93,089,313
Liabilities - \$44,599,264
Net Income - \$3,646,758

B. Impaired investments in joint ventures, partnerships and limited liability companies – None.

7. Investment Income

A. The basis, by category of investment income, for excluding (nonadmitting) any investment income due and accrued.

All accrued investment income was admitted for the period.

8. Derivative Instruments – None.

Notes to Financial Statements

9. Income Taxes

A. The components of deferred tax asset / liability at December 31, 2011 and December 31, 2010 are as follows:

	12/31/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
1.									
(a) Gross Deferred Tax assets	\$1,618,225	\$0	\$1,618,225	\$2,924,762	\$0	\$2,924,762	(\$1,306,537)	\$0	(\$1,306,537)
(b) Statutory Valuation Allowance	\$517,781	\$0	\$517,781	\$1,862,264	\$0	\$1,862,264	(\$1,344,483)	\$0	(\$1,344,483)
(c) Adjusted Gross DTA's (1a-1b)	\$1,100,444	\$0	\$1,100,444	\$1,062,498	\$0	\$1,062,498	\$37,946	\$0	\$37,946
(d) Deferred Tax Liabilities	\$230,563	\$0	\$230,563	\$114,950	\$0	\$114,950	\$115,612	\$0	\$115,612
(e) Subtotal (Net DTA's) (1c-1d)	\$869,881	\$0	\$869,881	\$947,548	\$0	\$947,548	(\$77,667)	\$0	(\$77,667)
(f) DTA's Nonadmitted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(g) Net Admitted DTA's (1e-1f)	\$869,881	\$0	\$869,881	\$947,548	\$0	\$947,548	(\$77,667)	\$0	(\$77,667)
4.									
Admission Calculation Components									
SSAP No. 10R Par.10a, 10b and 10c									
(a) SSAP No. 10R Paragraph 10a	\$208,551	\$0	\$208,551	\$0	\$0	\$0	\$208,551	\$0	\$208,551
(b) SSAP No. 10R Paragraph 10b (lesser 10bi and 10bii below)	\$891,893	\$0	\$891,893	\$1,062,498	\$0	\$1,062,498	(\$170,605)	\$0	(\$170,605)
(c) SSAP No. 10R Paragraph 10bi	\$891,893	\$0	\$891,893	\$1,062,498	\$0	\$1,062,498	(\$170,605)	\$0	(\$170,605)
(d) SSAP No. 10R Paragraph 10bii	XXX	XXX	\$5,296,654	XXX	XXX	\$4,535,904	XXX	XXX	\$760,750
(e) SSAP No. 10R Paragraph 10c	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(f) Total (4a+4b+4e)	\$1,100,444	\$0	\$1,100,444	\$1,062,498	\$0	\$1,062,498	\$37,946	\$0	\$37,946
Admission Calculation Components									
SSAP No. 10R Paragraphs 10e									
(g) SSAP No. 10R Paragraph 10ei	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(h) SSAP No. 10R Paragraph 10eii (lesser of 10eiiia and 10eiiib below)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(i) SSAP No. 10R Paragraph 10eiiia	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(j) SSAP No. 10R Paragraph 10eiiib	XXX	XXX	\$0	XXX	XXX	\$0	XXX	XXX	\$0
(k) SSAP No. 10R Paragraph 10eiii	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(l) Total (4g+4h+4k)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Used in SSAP No. 10R Paragraph 10d									
(m) Total Adjusted Capital	XXX	XXX	\$53,913,223	XXX	XXX	\$48,237,105	XXX	XXX	\$5,676,118
(n) Authorized Control Level	XXX	XXX	\$11,319,295	XXX	XXX	\$10,579,534	XXX	XXX	\$739,761
5.									
SSAP No. 10R Par. 10a, 10b and 10c									
(a) Admitted Deferred Tax Assets	\$869,881	\$0	\$869,881	\$1,062,498	\$0	\$1,062,498	(\$192,617)	\$0	(\$192,617)
(b) Admitted Assets	XXX	XXX	\$85,786,645	XXX	XXX	\$75,133,883	XXX	XXX	\$10,652,762
(c) Adjusted Statutory Surplus	XXX	XXX	\$53,913,223	XXX	XXX	\$45,359,035	XXX	XXX	\$8,554,188
(d) Total Adjusted Capital from DTA's	XXX	XXX	\$869,881	XXX	XXX	\$1,062,498	XXX	XXX	(\$192,617)
Increases due to SSAP No. 10R Par. 10e									
(e) Admitted DTA's	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(f) Admitted Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(g) Statutory Surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

B. Regarding deferred tax liabilities not recognized – None.

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

Notes to Financial Statements

	12/31/2011	12/31/2010	Change
1. Current Income Tax			
(a) Federal	(\$1,098,812)	\$88,269	(\$1,187,081)
(b) Foreign	\$0	\$0	\$0
(c) Subtotal	(\$1,098,812)	\$88,269	(\$1,187,081)
(d) Federal Income Tax on Net Capital Gains	\$0	\$0	\$0
(e) Utilization of Capital Loss Carry Forwards	\$0	\$0	\$0
(f) Other	\$0	\$0	\$0
(g) Federal and Foreign Income Taxes Incurred	(\$1,098,812)	\$88,269	(\$1,187,081)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Nonadmitted Assets	\$504,587	\$562,130	(\$57,543)
(2) Change in Loss Reserves	\$116,779	\$118,482	(\$1,703)
(3) Change in Accrued Liabilities	\$616,427	\$608,595	\$7,832
(4) Charitable Contributions Carry-Forward	\$3,435	\$0	\$3,435
(5) NOL/AMT Carryforward	\$0	\$1,319,099	(\$1,319,099)
(6) Unearned Premium Reserves	\$376,938	\$316,456	\$60,482
Subtotal	\$1,618,225	\$2,924,762	(\$1,306,537)
(b) Statutory Valuation Allowance	\$517,781	\$1,862,264	(\$1,344,483)
(c) Admitted Ordinary Deferred Tax Assets (2a-2b)	\$1,100,444	\$1,062,498	\$37,946
(d) Capital			
(1) Investments	\$0	\$0	\$0
(2) Net Capital Loss Carry-Forward	\$0	\$0	\$0
(3) Real Estate	\$0	\$0	\$0
(4) Other	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0
(e) Statutory Valuation Allowance	\$0	\$0	\$0
(f) Admitted Capital Deferred Tax Assets (2d-2e)	\$0	\$0	\$0
(g) Admitted Deferred Tax Assets (2c+2f)	\$1,100,444	\$1,062,498	\$37,946
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$2,577	\$5,951	(\$3,374)
(2) Fixed Assets	\$204,928	\$105,155	\$99,774
(3) Other	\$23,057	\$0	\$23,057
Subtotal	\$230,563	\$114,950	\$119,457
(b) Capital			
(1) Investments	\$0	\$0	\$0
(2) Fixed Assets	\$0	\$0	\$0
(3) Other	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0
(c) Deferred Tax Liabilities (3a+3b)	\$230,563	\$114,950	\$119,457
4. Net Deferred Tax Assets / Liabilities (2g-3c)	\$869,881	\$347,548	(\$511,511)

D. The provision for federal income taxes incurred is different than that which would be obtained by applying the statutory federal income tax rate to income before taxes. The significant items causing this difference are as follows:

	<u>December 31, 2011</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	(\$434,913)	34.0%
Change in deferred income taxes	(\$77,667)	6.1%
Change in valuation allowance	(\$1,344,483)	105.1%
Change in nonadmitted assets	\$378,494	-29.6%
Subsidiary tax	\$379,757	-29.7%
Total statutory income taxes incurred	<u>(\$1,098,812)</u>	<u>85.9%</u>

E. Amounts of operating loss and tax credit carry-forwards available for tax purposes

Notes to Financial Statements

As of December 31, 2011, the Company does not have a net operating loss carryforward.

F. Consolidation of Federal Income Tax Return

Summa Health System Corporation files a consolidated federal income tax which includes the following entities: SummaCare, Inc., Summa Insurance Company, Apex Benefits Services, LLC, Summa Insurance Agency, LLC, Wadsworth-Rittman Professional Services Corporation, Northeast Ohio Primary Care Physicians, Ohio Health Choice, Summa Enterprise Group, Falls Holding Company, Cuyahoga Falls Retail Pharmacy, Health Care Center Physicians, and Cornerstone Medical Services.

10. Information Concerning Parent, Subsidiaries, and Affiliates

A. Nature of the Relationships

Summa Insurance Company, Inc. (SIC or Company) was incorporated as a domestic stock property and casualty company. As such, SIC offers groups preferred provider products through which enrolled members elect to receive care from a Summa Preferred Provider (“network provider”) or a non-network provider at the member’s option. Subsidiaries and affiliated organizations of Summa Health System (SHS) include Summa Health System Corporation (SHSC), Summa Akron City & St. Thomas Hospitals (SACH/STH), Summa Health Network LLC (SHN), SummaCare, Inc. (SummaCare or SC), Apex Benefits Services, LLC (Apex), Summa Insurance Agency, LLC (SIA), Summa Cuyahoga Falls General Hospital (CFGH), Summa Barberton Hospital (BCH), Summa Wadsworth-Rittman Hospital (WRH), Wadsworth-Rittman Professional Services Corporation, Crystal Clinic Orthopedic Center, LLC, Summa Physicians, Inc. (SPI), Summa Hospitals Foundation, Health Care Center Physicians Inc. (HCCP), Middlebury Assurance Corp. (MAC), Summa Enterprise Group (SEG), Summa Enterprise Group, LLC, Summa Enterprise Group Properties (SEG Properties), Summa Rehabilitation Hospital, LLC, Ohio Health Choice, Inc. (OHC), Cornerstone Medical Services (Cornerstone), ARIS Teleradiology LLC (ARIS), Summa Robinson Health Ventures, Robinson Memorial Hospital (RMH), Summa Western Reserve Hospital (SWRH), Ohio Sleep Disorders, Digestive Health Centers, Summa Accountable Care Organization (ACO), Akron Endoscopy Associates (Akron Endoscopy) and Medina-Summit ASC, LLC.

SummaCare is a majority owned subsidiary of SIC, with 100% of the voting stock owned by SIC and preferred stock being held by SHS. SummaCare is licensed in the State of Ohio as a health-insuring corporation (HIC) under Chapter 1751 of the Ohio Revised Code. SummaCare contracts with providers to provide comprehensive health care services to a defined enrolled population (members) for a predetermined, monthly fee. The population from which SummaCare draws its membership is predominately in Northeast Ohio.

Apex is a wholly owned subsidiary of SIC and is a third party administrator. Apex does not assume insurance risk on behalf of its clients. Apex generates income from administrative fees for performing claims adjudication and other administrative services.

SIA is a wholly owned subsidiary of SIC. SIA is a licensed insurance agency in the State of Ohio under Chapter 1705 of the Ohio Revised Code. SIA licenses with other insurers of ancillary products such as dental, vision, life, disability and other like benefits and extends those product offerings to their clients.

Notes to Financial Statements

B&C. Transactions with Affiliated Organizations

The operating activities with affiliated entities as of December 31, 2011 and December 31, 2010 are as follows:

	2011	2010
Premiums earned from affiliated entities:		
SC	4,427	58,646
Claims paid to affiliated entities:		
SACH/STH	17,459,220	16,166,220
CFGH	—	1,716
SPI	1,703,914	1,450,109
BCH	2,992,040	2,412,345
WRH	840,475	646,935
HCCP	—	79
Cornerstone	1,169,724	1,176,936
Akron Endoscopy	—	17,575
ARIS	18,295	16,109
Management fees charged to SIC from SC	10,417,790	16,121,619
Management fees charged to SIC from Apex	353,112	413,316
Corporate expense allocation paid to SHS	1,629,069	1,203,000

D. Balance outstanding with affiliated entities as of December 31, 2011 and December 31, 2010:

	Due from		Due to	
	2011	2010	2011	2010
SummaCare	—	—	3,484,358	1,067,787
Apex	—	—	383,520	206,972
CFGH	2,109	—	—	—
WRH	10,000	—	—	—
\$	12,109	—	3,867,878	1,274,759

- E. Guarantees or undertakings – None.
- F. SIC members receive various medical services from SACH/STH and other SHS subsidiaries. Certain members of the board of directors of the Company are members of the board of trustees of SACH/STH’s and SHS’s subsidiary and affiliated organizations. During 2011 and 2010, SIC earned premiums from SC associated with the indemnity portion on specific SC insurance plans. The Company has also contracted to receive administrative and claims processing services from SC.
- G. All outstanding shares of Class A and Class C common stock are owned by the parent, Summa Health System. Outstanding shares Class B common stock is owned by various physicians. Outstanding shares of Class B common stock represent approximately 1% of all outstanding shares of common stock.
- H. Investments in upstream intermediate entities or ultimate parent – None.
- I. The Company owns a 100% interest in SummaCare, whose carrying value exceeds 10% of the admitted assets of The Company. The Company also owns a 100% interest in Apex and SIA. The carrying value for each of these companies is less than 10% of the Company’s admitted assets.
- J. Investments in impaired SCA entities – None.
- K. Investments in foreign insurance subsidiaries – None.
- L. Investment in downstream noninsurance holding company – None.

11. Debt

SIC has no debt as of December 31, 2011.

12. Retirement Plans – None.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

Notes to Financial Statements

- 1.) As of December 31, 2010, SHS owned all of the 100 authorized and outstanding shares of SIC Class A common stock. Physician shareholders, who are participating providers of SHN, own all of the 6,617 outstanding shares of SIC Class B common stock with a par value of \$.0001 per share. SHS also owns all of the 606,463 outstanding shares of SIC Class C common stock with a par value of \$.0001 per share.
- 2.) Dividend rate, liquidation value and redemption schedule of preferred stock issues - None
- 3.) Dividend restrictions – In accordance with the Ohio Revised Code, the Company must receive approval from ODI to pay a dividend or distribution during 2012, which when combined with the dividends or distributions paid within the preceding 12 months exceeds the greater of either (a) 10% of the Company’s capital and surplus as of December 31, 2011, or (b) the Company’s net gain from operations for the year ended December 31, 2011. Accordingly, during 2012, prior approval from the ODI is required for any dividend or distribution payment which exceeds \$5,391,322.
- 4.) Dates and amounts of dividends paid – None.
- 5.) Portion of reporting entities profits that may be paid as ordinary dividends - Reference number 3 above.
- 6.) Restrictions on unassigned funds – None.
- 7.) Mutual Reciprocals - None.
- 8.) Stock held by the Company for special purposes – None.
- 9.) Special surplus funds – None.
- 10.) The portion of unassigned funds represented or reduced by :
 - Nonadmitted Asset Values – \$4,102,794
 - Unrealized Gains (Losses) - \$547,615
- 11.) Surplus notes – None.
- 12.) Restatement in a quasi-reorganization – Not applicable
- 13.) Quasi-reorganization – Not applicable.

14. Contingencies

The Company is involved in various legal proceedings arising, for the most part, in the ordinary course of business operations. Such lawsuits include professional and employment litigation, consistent with the health care industry.

The Company’s business practices are subject to review by various state insurance and health care regulatory authorities and other state and federal authorities. These reviews may result in changes to or clarifications of business practices, and may result in fines, penalties or other sanctions.

In the opinion of management, based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of the Company. Where appropriate, reserves have been established in accordance with SSAP No. 5.

- A. Contingent commitments – None.
- B. Assessments – None
- C. Gain contingencies – None.
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits – None.
- E. All other contingencies – None.

15. Leases – None.

16. Information Regarding Off-Balance Sheet Risk – Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liability – Not applicable.

18. Gains or Loss to the Reporting Entity from Uninsured Plans – Not applicable.

Notes to Financial Statements

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

Not applicable.

20. Fair Value Measurement – Not applicable.

21. Other Items

Stock Option Plan

Under the 2000 Summa Insurance Company, Inc. Nonqualified Stock Option Plan (the Plan), the Company granted options to certain SHN (formerly Akron City Health System) physicians for the purchase of up to 38,190 restricted shares of Class B common stock. Under the Plan, the exercise price of each option is \$50, and an option's maximum term is 10 years. Options were granted on January 1, 2000 and vested immediately as there is no requirement for future performance. The Plan also has a mandatory redemption period of three years, in which during the first 10 days of December 2001, 2002, and 2003, each participant has the right to require the Company to purchase all or part of the shares held by the participant, which are free of restrictions, at a purchase price equal to the fair market value of the shares at September 30 of the year during which the right is exercised. For participants that retire, resign from SHN or die during the year, the shares held by the participant are redeemed at the current market value. In 2011, 145 shares were redeemed at a fair market value of \$13,917. No options were exercised during 2011.

22. Events Subsequent – None.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (X)

If yes, give full details.

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$ _____
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? \$ _____
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under reinsurance policies?

Notes to Financial Statements

Yes () No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

If yes, what is the amount of the reinsurance credits, whether an asset or a reduction of a liability, taken for such new agreements or amendments? \$_____

B. Uncollectible Reinsurance – None.

C. Commutation of Ceded Reinsurance – None.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination – None.

25. Changes in Incurred Claims and Claims Adjustment Expenses

Activity in claims unpaid is summarized as follows:

	2011	2010
Balance at January 1	\$ 16,973,286	18,093,705
Prior Year Adjustment - Reinsurance	—	—
Incurred related to:		
Current year	157,183,640	136,038,282
Prior years	(3,849,000)	(2,095,000)
Total	153,334,640	133,943,282
Paid related to:		
Current year	140,039,351	119,091,996
Prior years	13,123,000	15,971,705
Total	153,162,351	135,063,701
Balance at End of Period	\$ 17,145,575	16,973,286

The Company uses paid claims and completion factors based on historical payment patterns to estimate incurred claims. Changes in payment patterns and claims trends have resulted in changes to prior years’ claims estimates.

26. Intercompany Pooling Arrangements – None.

27. Structured Settlements – None.

Notes to Financial Statements

28. Healthcare Receivables

The company receives pharmacy rebates on a quarterly basis. As of December 31, 2011, a receivable was recorded equal to three quarters of rebates. Pharmacy rebates receivable are estimated by multiplying the most recent rebate received by three (three quarters). Pharmacy rebates receivable are recorded as nonadmitted assets in accordance with SSAP No. 84.

<u>Quarter</u>	<u>Estimated Rebates Receivable</u>	<u>Nonadmitted Rebates Receivable</u>	<u>Admitted Rebates Receivable</u>	<u>Actual Rebates Received More Than 180 Days After Billing</u>
12/31/2011	\$1,007,250	\$1,007,250	\$0	0
9/30/2011	\$919,063	\$919,063	\$0	\$321,533
6/30/2011	\$843,955	\$842,961	\$0	\$545,264
3/31/2011	\$842,961	\$842,961	\$0	\$834,830
12/31/2010	\$842,250	\$842,250	\$0	\$794,169
9/30/2010	\$546,875	\$546,875	\$0	\$849,583
6/30/2010	\$492,649	\$492,649	\$0	\$855,789
3/31/2010	\$492,649	\$492,649	\$0	\$857,126
12/31/2009	\$343,186	\$343,186	\$0	\$577,981
9/30/2009	\$945,681	\$945,681	\$0	\$599,713
6/30/2009	\$727,006	\$727,006	\$0	\$473,162
3/31/2009	\$723,095	\$723,095	\$0	\$425,420
12/31/2008	\$723,095	\$723,095	\$0	\$554,829
9/30/2008	\$568,195	\$568,195	\$0	\$640,203
6/30/2008	\$703,059	\$703,059	\$0	\$749,912
3/31/2008	\$515,559	\$515,559	\$0	\$651,090
12/31/2007	\$515,559	\$515,559	\$0	\$589,211

29. Participating Policies – None.

30. Premium Deficiency Reserves – None.

31. Anticipated Salvage Value and Subrogation – Not applicable.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Ohio
- 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: 12/31/2007
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 3.2 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. 12/31/2007
- 3.3 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). 01/12/2009
- 3.4 By what department or departments? Ohio Department of Insurance
- 3.5 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]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes[] No[X]
4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes[] No[X]
4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the 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.

Table with 3 columns: 1 Name of Entity, 2 NAIC Company Code, 3 State of Domicile

- 6.1 Has the 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]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 0.000%
7.21 State the percentage of foreign control
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

Table with 2 columns: 1 Nationality, 2 Type of Entity

- 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 the names and location (city and state of the main office) of any affiliates regulated by a federal financial 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.

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

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? Ernst & Young LLP, 925 Euclid Ave, Cleveland, OH 44115
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
- 10.6 If the answer to 10.5 is "NO" or "N/A" please explain:
- 11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? Michael Cellini, Actuary, Ernst & Young LLP, 5 Times Square, New York, NY 10036

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved

0
- 12.13 Total book/adjusted carrying value

\$0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]
- 14.1 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.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?

Yes[] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$0
- 20.12 To stockholders not officers

\$0
- 20.13 Trustees, supreme or grand (Fraternal only)

\$0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$0
- 20.22 To stockholders not officers

\$0
- 20.23 Trustees, supreme or grand (Fraternal only)

\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$0
- 21.22 Borrowed from others

\$0
- 21.23 Leased from others

\$0
- 21.24 Other

\$0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$0
- 22.22 Amount paid as expenses

\$0
- 22.23 Other amounts paid

\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

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

\$0

INVESTMENT

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3)

Yes[] No[X]
- 24.2 If no, give full and complete information, relating thereto:

All securities are in the possession of FirstMerit Bank, N.A.
- 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 17 where this information is also provided)
- 24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[] No[] N/A[X]
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.

\$0
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs.

\$0
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[] No[] N/A[X]
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

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

GENERAL INTERROGATORIES (Continued)

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?

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

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3).

Yes[] No[X]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

25.22 Subject to reverse repurchase agreements

25.23 Subject to dollar repurchase agreements

25.24 Subject to reverse dollar repurchase agreements

25.25 Pledged as collateral

25.26 Placed under option agreements

25.27 Letter stock or securities restricted as to sale

25.28 On deposit with state or other regulatory body

25.29 Other

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

25.3 For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]

26.2 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[] N/A[X]

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]

27.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0

28. 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 I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]

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

1	2
Name of Custodian(s)	Custodian's Address
FirstMerit Bank, N.A.	106 South Main St, Akron, OH 44308

28.02 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	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes[] No[X]

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

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

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

1	2	3
Central Registration Depository Number(s)	Name	Address
.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[] No[X]

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 Total

29.3 For each mutual fund listed in the table above, complete the following schedule:

GENERAL INTERROGATORIES (Continued)

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	14,645,194	15,192,809	547,615
30.2 Preferred stocks			
30.3 Totals	14,645,194	15,192,809	547,615

30.4 Describe the sources or methods utilized in determining the fair values
The values are based on the prices of assets at the close of the stock market on 12/31/2011 as determined by Interactive Data Corp.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
FirstMerit Bank, N.A. utilizes a pricing service, Interactive Data Corp., to determine fair value.

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

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
32.2 If no, list exceptions:

Yes[X] No[]

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?
33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

\$..... 0

1	2
Name	Amount Paid

34.1 Amount of payments for legal expenses, if any?
34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

\$..... 0

1	2
Name	Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?
35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

\$..... 0

1	2
Name	Amount Paid

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[X] No[]

1.2 If yes, indicate premium earned on U.S. business only:

\$ 94,836

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 59,002

1.6 Individual policies - Most current three years:

1.61 Total premium earned

\$ 94,836

1.62 Total incurred claims

\$ 59,002

1.63 Number of covered lives

..... 50

All years prior to most current three years:

1.64 Total premium earned

\$ 0

1.65 Total incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 Total premium earned

\$ 0

1.72 Total incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 Total premium earned

\$ 0

1.75 Total incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	..... 175,692,634	..... 153,995,227
2.2	Premium Denominator .....	..... 175,692,634	..... 153,995,227
2.3	Premium Ratio (2.1 / 2.2) .....	..... 1.000	..... 1.000
2.4	Reserve Numerator .....	..... 17,202,215	..... 17,175,286
2.5	Reserve Denominator .....	..... 17,202,215	..... 17,175,286
2.6	Reserve Ratio (2.4 / 2.5) .....	..... 1.000	..... 1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

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

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 300,000

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

The Company's provider contracts include insolvency provisions, continuity of care provisions and hold harmless language.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 7,000

8.2 Number of providers at end of reporting year

..... 7,000

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 56,640

10.22 Amount actually paid for year bonuses

\$ 214,962

10.23 Maximum amount payable withholds

..... 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]

11.14 A Mixed Model (combination of above)?

Yes[X] No[]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such net worth.

Ohio

11.4 If yes, show the amount required.

\$ 1,500,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Summit
Portage
Cuyahoga
Geauga
Stark
Medina
Wayne
Ashtabula
Carroll

GENERAL INTERROGATORIES (Continued)

1	
Name of Service Area	
Lorain	
Mahoning	
Trumbull	
Ottawa	
Sandusky	
Erie	
Huron	
Lake	

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

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

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

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

Yes[] No[X]

\$..... 0

Yes[] No[X]

\$..... 0

FIVE-YEAR HISTORICAL DATA

	1 2011	2 2010	3 2009	4 2008	5 2007
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	85,786,645	75,133,883	69,368,679	43,807,018	61,207,821
2. TOTAL Liabilities (Page 3, Line 24)	31,873,422	26,896,778	28,601,475	21,599,051	20,371,586
3. Statutory surplus	1,500,000	1,500,000	1,500,000		
4. TOTAL Capital and Surplus (Page 3, Line 33)	53,913,223	48,237,105	40,767,204	22,207,967	40,836,235
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	175,692,634	153,995,227	145,849,050	132,971,590	97,414,301
6. TOTAL Medical and Hospital Expenses (Line 18)	153,404,242	134,406,188	138,022,515	120,564,550	78,365,278
7. Claims adjustment expenses (Line 20)	1,375,852	1,258,824	15,664,527	17,341,359	12,676,924
8. TOTAL Administrative Expenses (Line 21)	22,517,199	19,701,317	4,623,480	3,774,151	3,254,185
9. Net underwriting gain (loss) (Line 24)	(1,604,659)	(1,371,102)	(12,461,472)	(8,708,470)	3,117,914
10. Net investment gain (loss) (Line 27)	320,984	678,724	367,991	418,724	685,018
11. TOTAL Other Income (Lines 28 plus 29)	4,519	6,689	2,370	5,168	(83,977)
12. Net income or (loss) (Line 32)	(180,344)	(773,958)	(7,357,826)	(6,806,519)	2,259,567
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	1,807,994	2,162,395	(6,078,898)	(2,602,541)	7,930,086
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	53,913,223	48,237,105	40,767,204	22,207,967	40,836,235
15. Authorized control level risk-based capital	11,319,295	10,579,534	8,940,644	8,047,917	6,074,734
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	51,093	44,342	43,889	43,169	37,606
17. TOTAL Members Months (Column 6, Line 7)	576,335	514,784	513,842	502,858	399,854
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	87.3	87.3	94.6	90.7	80.4
20. Cost containment expenses	0.2	0.3	2.1	4.3	4.3
21. Other claims adjustment expenses	0.6	0.5	8.6	8.7	8.7
22. TOTAL Underwriting Deductions (Line 23)	100.9	100.9	108.5	106.5	96.8
23. TOTAL Underwriting Gain (Loss) (Line 24)	(0.9)	(0.9)	(8.5)	(6.5)	3.2
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	13,338,962	16,230,466	12,982,000	16,662,000	6,390,000
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	17,175,286	18,495,714	14,964,365	14,630,647	7,695,962
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)	48,490,049	44,407,469	27,766,598	27,184,481	34,534,369
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated	5,942,464	4,189,443	2,697,626	902,012	6,822,711
32. TOTAL of Above Lines 26 to 31	54,432,513	48,596,912	30,464,224	28,086,493	41,357,080

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain::

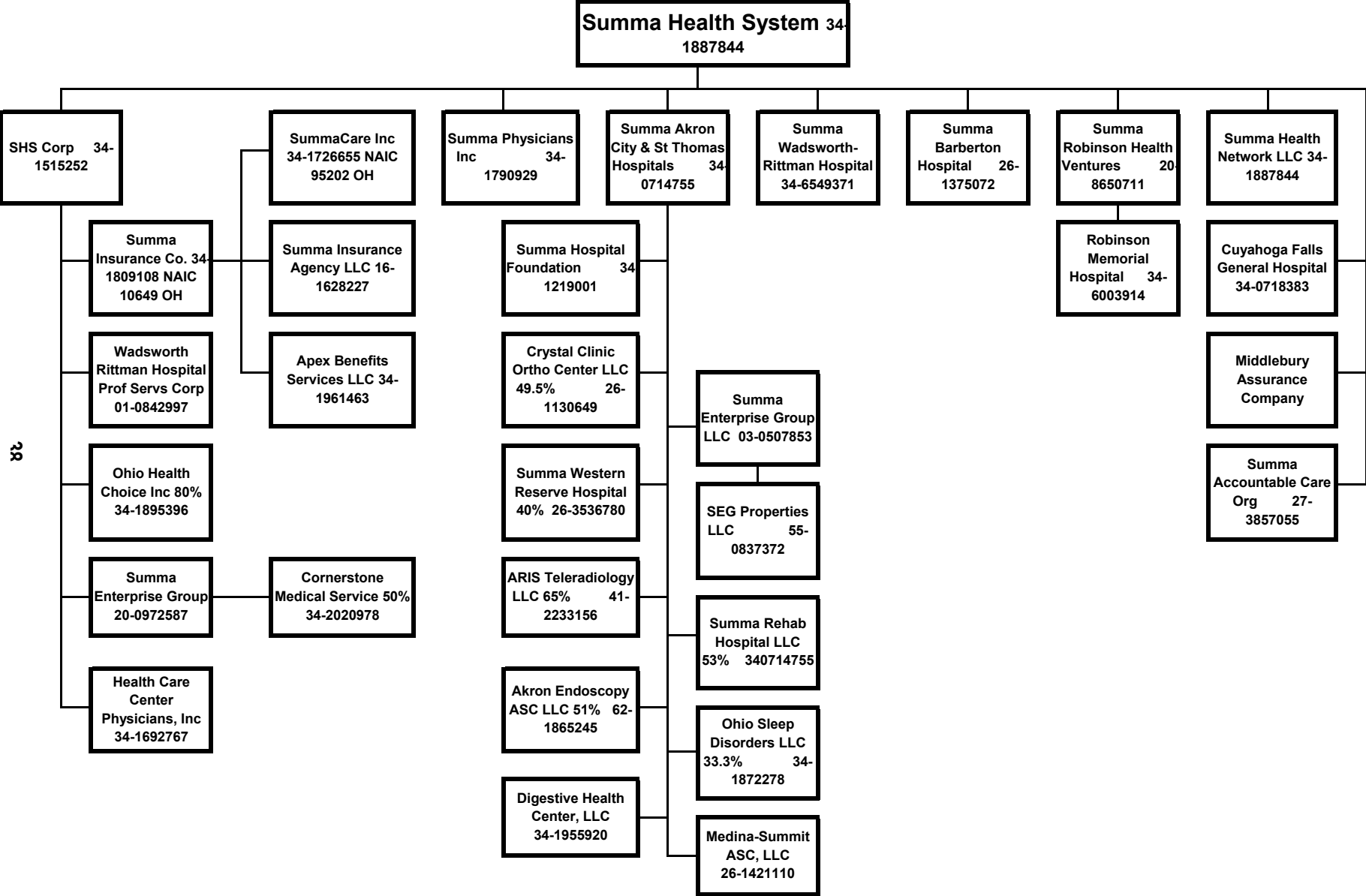
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
		Active Status	2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & 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	178,215,526						178,215,526	
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 Marianas Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	178,215,526						178,215,526	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a).... 1	178,215,526						178,215,526	
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.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



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