



# ANNUAL STATEMENT

For the Year Ended December 31, 2011

of the Condition and Affairs of the

## Club Insurance Company

NAIC Group Code..... , (Current Period) (Prior Period)	NAIC Company Code..... 10974	Employer's ID Number..... 31-1631404
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... December 11, 1998	Commenced Business..... April 29, 1999	
Statutory Home Office	90 East Wilson Bridge Rd..... Worthington .... OH ..... 43085 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	90 East Wilson Bridge Rd..... Worthington .... OH ..... 43085 (Street and Number) (City or Town, State and Zip Code)	614-431-7889 (Area Code) (Telephone Number)
Mail Address	90 East Wilson Bridge Rd..... Worthington .... OH ..... 43085 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	90 East Wilson Bridge Rd..... Worthington .... OH ..... 43085 (Street and Number) (City or Town, State and Zip Code)	614-431-7889 (Area Code) (Telephone Number)
Internet Web Site Address	N/A	
Statutory Statement Contact	Ronald Jay Carr (Name) rcarr@aaaohio.com (E-Mail Address)	614-431-7805 (Area Code) (Telephone Number) (Extension) 614-431-7852 (Fax Number)

### OFFICERS

Name	Title	Name	Title
1. Gregory Lowell Cady	President	2. Thomas Wesley Keyes	Treasurer
3. Thomas Wesley Keyes	Secretary	4.	N/A

### OTHER

DIRECTORS OR TRUSTEES			
John Jeffery Bognaird	Charles Henderson Hire	John Edward McClain Jr	Thomas Joseph Eberly
Thomas Alan Dunlap	Sue Ann Fouche	Brian W Thomas	William Joseph Hafer
Mark Harry Shaw			

State of..... Ohio  
County of.... Franklin

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

(Signature) Gregory Lowell Cady	(Signature) Thomas Wesley Keyes	(Signature) Thomas Wesley Keyes	
1. (Printed Name) President	2. (Printed Name) Treasurer	3. (Printed Name) Secretary	
(Title)	(Title)	(Title)	
Subscribed and sworn to before me		a. Is this an original filing?	
This <u>24th</u> day of <u>February</u> 2012		b. If no      1. State the amendment number 2. Date filed 3. Number of pages attached	Yes [ X ]   No [ ]

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	10,110,926		10,110,926	10,013,659
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	2,601,321		2,601,321	3,107,487
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....36, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$....696,402, Sch. DA).....	696,438		696,438	707,628
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	13,408,685	0	13,408,685	13,828,774
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	74,331		74,331	100,427
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	141,900		141,900	151,619
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	7,045		7,045	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	13,631,961	0	13,631,961	14,080,820
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	13,631,961	0	13,631,961	14,080,820

**DETAILS OF WRITE-INS**

1101. ....			0	
1102. ....			0	
1103. ....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. ....			0	
2502. ....			0	
2503. ....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	200,223	436,721
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....		
4. Commissions payable, contingent commissions and other similar charges.....	5,136	5,410
5. Other expenses (excluding taxes, licenses and fees).....	26,667	36,900
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	2,832	
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		70,563
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	729,875	730,939
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (Schedule F, Part 7).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	123,828	72,939
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,088,561	1,353,472
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	1,088,561	1,353,472
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	1,000,000	1,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	2,039,944	2,039,944
35. Unassigned funds (surplus).....	9,503,456	9,687,404
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	12,543,400	12,727,348
38. TOTALS (Page 2, Line 28, Col. 3).....	13,631,961	14,080,820

**DETAILS OF WRITE-INS**

2501. ....		
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	1,401,829	1,524,241
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	121,142	218,583
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	130,729	56,544
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	776,136	713,076
5. Aggregate write-ins for underwriting deductions.....	.0	.0
6. Total underwriting deductions (Lines 2 through 5).....	1,028,007	988,203
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	373,822	536,038
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	288,237	353,672
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses)).....	373,409	368,508
11. Net investment gain (loss) (Lines 9 + 10).....	661,646	722,180
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	.0	.0
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	.0	.0
15. Total other income (Lines 12 through 14).....	.0	.0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,035,468	1,258,218
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	1,035,468	1,258,218
19. Federal and foreign income taxes incurred.....	357,000	416,000
20. Net income (Line 18 minus Line 19) (to Line 22).....	678,468	842,218
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	12,727,348	12,469,040
22. Net income (from Line 20).....	678,468	842,218
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	(240,024)	194,076
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	77,608	(77,986)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....		
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(700,000)	(700,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	.0	.0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(183,948)	258,308
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	12,543,400	12,727,348

**DETAILS OF WRITE-INS**

0501.....		
0502.....		
0503.....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	.0	0
1401. Miscellaneous Non Operating Income.....		
1402.....		
1403.....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	.0	0
3701. Lines 23 and 29 from 2000 Annual Statement.....		
3702.....		
3703.....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	.0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	.0	0

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	1,410,484	1,402,846
2. Net investment income.....	400,797	425,534
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	1,811,281	1,828,380
5. Benefit and loss related payments.....	357,640	361,177
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	914,540	837,400
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	357,000	416,000
10. Total (Lines 5 through 9).....	1,629,180	1,614,577
11. Net cash from operations (Line 4 minus Line 10).....	182,101	213,803
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	12,493,911	10,206,354
12.2 Stocks.....	1,837,597	1,670,322
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).....	14,331,508	11,876,676
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	12,417,136	10,391,672
13.2 Stocks.....	1,458,552	1,361,986
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).....	13,875,688	11,753,658
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	455,820	123,018
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	700,000	700,000
16.6 Other cash provided (applied).....	50,889	(58,927)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(649,111)	(758,927)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(11,190)	(422,106)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	707,627	1,129,733
19.2 End of year (Line 18 plus Line 19.1).....	696,437	707,627

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

20.0001 .....	.....	.....
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**UNDERWRITING AND INVESTMENT EXHIBIT****PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....				.0
2. Allied lines.....				.0
3. Farmowners multiple peril.....				.0
4. Homeowners multiple peril.....				.0
5. Commercial multiple peril.....				.0
6. Mortgage guaranty.....				.0
8. Ocean marine.....				.0
9. Inland marine.....				.0
10. Financial guaranty.....				.0
11.1 Medical professional liability - occurrence.....				.0
11.2 Medical professional liability - claims-made.....				.0
12. Earthquake.....				.0
13. Group accident and health.....	1,400,765	730,939	729,875	1,401,829
14. Credit accident and health (group and individual).....				.0
15. Other accident and health.....				.0
16. Workers' compensation.....				.0
17.1 Other liability - occurrence.....				.0
17.2 Other liability - claims-made.....				.0
17.3 Excess workers' compensation.....				.0
18.1 Products liability - occurrence.....				.0
18.2 Products liability - claims-made.....				.0
19.1, 19.2 Private passenger auto liability.....				.0
19.3, 19.4 Commercial auto liability.....				.0
21. Auto physical damage.....				.0
22. Aircraft (all perils).....				.0
23. Fidelity.....				.0
24. Surety.....				.0
26. Burglary and theft.....				.0
27. Boiler and machinery.....				.0
28. Credit.....				.0
29. International.....				.0
30. Warranty.....				.0
31. Reinsurance - nonproportional assumed property.....				.0
32. Reinsurance - nonproportional assumed liability.....				.0
33. Reinsurance - nonproportional assumed financial lines.....				.0
34. Aggregate write-ins for other lines of business.....	0	0	0	.0
35. TOTALS.....	1,400,765	730,939	729,875	1,401,829

**DETAILS OF WRITE-INS**

3401. ....				.0
3402. ....				.0
3403. ....				.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	.0

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 1A - RECAPITULATION OF ALL PREMIUMS**

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....					0
2. Allied lines.....					0
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....					0
5. Commercial multiple peril.....					0
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....					0
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....					0
12. Earthquake.....					0
13. Group accident and health.....	729,875				729,875
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....					0
17.1 Other liability - occurrence.....					0
17.2 Other liability - claims-made.....					0
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....					0
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....					0
19.3, 19.4 Commercial auto liability.....					0
21. Auto physical damage.....					0
22. Aircraft (all perils).....					0
23. Fidelity.....					0
24. Surety.....					0
26. Burglary and theft.....					0
27. Boiler and machinery.....					0
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....					0
32. Reinsurance - nonproportional assumed liability.....					0
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0
35. TOTALS.....	729,875	0	0	0	729,875
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					729,875

**DETAILS OF WRITE-INS**

3401. ....					0
3402. ....					0
3403. ....					0
3498. Summary of remaining write-ins for Line 34 from overflow page....	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0

(a) State here basis of computation used in each case:

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 1B - PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....						0
2. Allied lines.....						0
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....						0
5. Commercial multiple peril.....						0
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....						0
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....						0
13. Group accident and health.....	1,400,765					1,400,765
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....						0
17.1 Other liability - occurrence.....						0
17.2 Other liability - claims-made.....						0
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....						0
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....						0
19.3, 19.4 Commercial auto liability.....						0
21. Auto physical damage.....						0
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....						0
26. Burglary and theft.....						0
27. Boiler and machinery.....						0
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX					0
32. Reinsurance - nonproportional assumed liability.....	XXX					0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	1,400,765	0	0	0	0	1,400,765

**DETAILS OF WRITE-INS**

3401. ....							0
3402. ....							0
3403. ....							0
3498. Summary of remaining write-ins for Line 34 from overflow page..	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ ]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....				0				0
2. Allied lines.....				0				0
3. Farmowners multiple peril.....				0				0
4. Homeowners multiple peril.....				0				0
5. Commercial multiple peril.....				0				0
6. Mortgage guaranty.....				0				0
8. Ocean marine.....				0				0
9. Inland marine.....				0				0
10. Financial guaranty.....				0				0
11.1 Medical professional liability - occurrence.....				0				0
11.2 Medical professional liability - claims-made.....				0				0
12. Earthquake.....				0				0
13. Group accident and health.....	266,378			266,378	167,885	301,180	133,083	9.5
14. Credit accident and health (group and individual).....				0				0
15. Other accident and health.....	500			500		4,000	(3,500)	
16. Workers' compensation.....				0				0
17.1 Other liability - occurrence.....				0				0
17.2 Other liability - claims-made.....				0				0
17.3 Excess workers' compensation.....				0				0
18.1 Products liability - occurrence.....				0				0
18.2 Products liability - claims-made.....				0				0
19.1, 19.2 Private passenger auto liability.....		92,267		92,267	31,946	130,481	(6,268)	
19.3, 19.4 Commercial auto liability.....				0				0
21. Auto physical damage.....		(1,505)		(1,505)	392	1,060	(2,173)	
22. Aircraft (all perils).....				0				0
23. Fidelity.....				0				0
24. Surety.....				0				0
26. Burglary and theft.....				0				0
27. Boiler and machinery.....				0				0
28. Credit.....				0				0
29. International.....				0				0
30. Warranty.....				0				0
31. Reinsurance - nonproportional assumed property.....	XXX			0				0
32. Reinsurance - nonproportional assumed liability.....	XXX			0				0
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0				0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	
35. TOTALS.....	266,878	90,762	0	357,640	200,223	436,721	121,142	8.6

**DETAILS OF WRITE-INS**

3401. ....					0			0
3402. ....					0			0
3403. ....					0			0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire.....				0				0	
2. Allied lines.....				0				0	
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....				0				0	
5. Commercial multiple peril.....				0				0	
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....				0				0	
9. Inland marine.....				0				0	
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....	98,885			98,885	.69,000			(a) 167,885	
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0				(a) 0	
16. Workers' compensation.....				0				0	
17.1 Other liability - occurrence.....				0				0	
17.2 Other liability - claims-made.....				0				0	
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....				0				0	
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....		31,946		31,946				31,946	
19.3, 19.4 Commercial auto liability.....				0				0	
21. Auto physical damage.....		.392		.392				.392	
22. Aircraft (all perils).....				0				0	
23. Fidelity.....				0				0	
24. Surety.....				0				0	
26. Burglary and theft.....				0				0	
27. Boiler and machinery.....				0				0	
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX.			0	XXX.			0	
32. Reinsurance - nonproportional assumed liability.....	XXX.			0	XXX.			0	
33. Reinsurance - nonproportional assumed financial lines.....	XXX.			0	XXX.			0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	98,885	32,338	0	131,223	.69,000	0	0	200,223	0

**DETAILS OF WRITE-INS**

3401. ....				0				0	
3402. ....				0				0	
3403. ....				0				0	
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

(a) Including \$.....0 for present value of life indemnity claims.

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 3 - EXPENSES**

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....				0
1.2 Reinsurance assumed.....	12,714			12,714
1.3 Reinsurance ceded.....				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	12,714	0	0	12,714
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		152,408		152,408
2.2 Reinsurance assumed, excluding contingent.....				0
2.3 Reinsurance ceded, excluding contingent.....				0
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	152,408	0	152,408
3. Allowances to manager and agents.....				0
4. Advertising.....		134,683		134,683
5. Boards, bureaus and associations.....		13,796		13,796
6. Surveys and underwriting reports.....				0
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	90,636	135,954		226,590
8.2 Payroll taxes.....	7,907	11,861		19,768
9. Employee relations and welfare.....	19,472	29,209		48,681
10. Insurance.....		285		285
11. Directors' fees.....		12,000		12,000
12. Travel and travel items.....		2,404		2,404
13. Rent and rent items.....				0
14. Equipment.....				0
15. Cost or depreciation of EDP equipment and software.....		56,870		56,870
16. Printing and stationery.....		3,818		3,818
17. Postage, telephone and telegraph, exchange and express.....		43,732		43,732
18. Legal and auditing.....		36,400		36,400
19. Totals (Lines 3 to 18).....	118,015	481,012	0	599,027
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0		508		508
20.2 Insurance department licenses and fees.....				0
20.3 Gross guaranty association assessments.....				0
20.4 All other (excluding federal and foreign income and real estate).....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	508	0	508
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	0	142,208	0	142,208
25. Total expenses incurred.....	130,729	776,136	0	(a) 906,865
26. Less unpaid expenses - current year.....		34,635		34,635
27. Add unpaid expenses - prior year.....				0
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	130,729	741,501	0	872,230

**DETAILS OF WRITE-INS**

2401. Contributions.....		30,000		30,000
2402. Investment Management fees.....		100,679		100,679
2403. Miscellaneous.....		11,529		11,529
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	0	142,208	0	142,208

(a) Includes management fees of \$....400,000 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

		1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....	.113,638	.....100,214
1.1 Bonds exempt from U.S. tax.....	(a).....		
1.2 Other bonds (unaffiliated).....	(a).....	.149,198	.....136,526
1.3 Bonds of affiliates.....	(a).....		
2.1 Preferred stocks (unaffiliated).....	(b).....		
2.11 Preferred stocks of affiliates.....	(b).....		
2.2 Common stocks (unaffiliated).....	.....51,444	.....51,444	
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).....	.53	.....53
7. Derivative instruments.....	(f).....		
8. Other invested assets.....			
9. Aggregate write-ins for investment income.....		0	.....0
10. Total gross investment income.....		.....314,333	.....288,237
11. Investment expenses.....			(g).....
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).....0
15. Aggregate write-ins for deductions from investment income.....			.....0
16. Total deductions (Lines 11 through 15).....			.....0
17. Net investment income (Line 10 minus Line 16).....			.....288,237

**DETAILS OF WRITE-INS**

0901.....			
0902.....			
0903.....			
0998. Summary of remaining write-ins for Line 9 from overflow page.....		0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....		0	.....0
1501.....			
1502.....			
1503.....			
1598. Summary of remaining write-ins for Line 15 from overflow page.....			.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....			.....0

(a) Includes \$....11,845 accrual of discount less \$....98,309 amortization of premium and less \$....62,024 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 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....149,755		.....149,755		
1.1 Bonds exempt from U.S. tax.....			.....0		
1.2 Other bonds (unaffiliated).....	.....110,752		.....110,752		
1.3 Bonds of affiliates.....			.....0		
2.1 Preferred stocks (unaffiliated).....			.....0		
2.11 Preferred stocks of affiliates.....			.....0		
2.2 Common stocks (unaffiliated).....	.....112,902		.....112,902	.....(240,024)	
2.21 Common stocks of affiliates.....			.....0		
3. Mortgage loans.....			.....0		
4. Real estate.....			.....0		
5. Contract loans.....			.....0		
6. Cash, cash equivalents and short-term investments.....			.....0		
7. Derivative instruments.....			.....0		
8. Other invested assets.....			.....0		
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	.....373,409	.....0	.....373,409	.....(240,024)	.....0

**DETAILS OF WRITE-INS**

0901.....			0		
0902.....			0		
0903.....			0		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0	0

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	0	0	0
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	0	0	0

**NONE****DETAILS OF WRITE-INS**

1101. ....			0
1102. ....			0
1103. ....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. ....			0
2502. ....			0
2503. ....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0

**NOTES TO FINANCIAL STATEMENTS****Note 1 - Summary of Significant Accounting Policies****A. Accounting Practices**

The accompanying financial statements of Club Insurance Company (Company) have been prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*.

The Company has no difference between Ohio prescribed practices and NAIC statutory accounting practices (NAIC SAP).

<b>Description</b>	<b>2011</b>	<b>2010</b>
Net income, Ohio state basis	\$ 678,468	\$ 842,218
Effect of Ohio prescribed practices	0	0
Net income, NAIC SAP basis	<b>\$ 678,468</b>	<b>\$ 842,218</b>
Policyholders' surplus, Ohio basis	\$12,543,400	\$12,727,348
Effect of Ohio prescribed practices	0	0
Policyholders' surplus, NAIC SAP basis	<b>\$12,543,400</b>	<b>\$12,727,348</b>

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**C. Accounting Policies**

Direct, assumed and ceded premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct and ceded business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists primarily of interest and dividends. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include writedowns for impairments considered to be other than temporary.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.
2. Investment grade bonds not backed by other loans are stated at amortized value using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
3. Common stocks are stated at fair value.
4. Investment grade redeemable preferred stocks are stated at amortized value. Investment grade perpetual preferred stocks are stated at fair value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value.
5. First lien mortgage loans on real estate are stated at their unpaid principal balances
6. Investment grade loan-backed securities are stated at amortized value. The retrospective adjustment method is used to determine amortized value for all loan-backed securities. Non-investment grade loan-backed securities with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
7. We have no investments in subsidiary and affiliated companies.
8. Investments in joint ventures and partnerships are stated at the underlying audited GAAP equity value.
9. The accounting for derivatives varies with the nature of the derivative and its use. Written call options used in income generation transactions are covered by items at fair value (common stock) and therefore, are valued at fair value.
10. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

**NOTES TO FINANCIAL STATEMENTS**

12. The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.

13. Not applicable as the Company does not write major medical insurance with prescription drug coverage.

**Note 2 - Accounting Changes and Correction of Errors**

A. Not applicable

**Note 3 - Business Combinations and Goodwill**

A. Statutory Purchase Method

Not applicable.

B. Statutory Mergers

Not applicable

C. Writedowns for Impairment of Investments in Affiliates

Not applicable (see Note 10J)

**Note 4 - Discontinued Operations**

A. Not applicable

**Note 5 - Investments**

A. Mortgage Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

1. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.
2. We do not have any Loan-backed securities that we have recognized other-than-temporary impairment during the year.
3. We do not have any other-than-temporary impairments for loan-backed securities held at the end of the year.
4. The following table summarizes unrealized losses on loan-backed securities by the length of time that the securities have continuously been in unrealized loss positions.

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Single class mortgage-backed securities	\$0	\$0	\$127,689	(\$3,662)	\$127,689	(\$3,662)
Multi-class residential mortgage-backed securities	0	0	0	0	0	0
Multi-class commercial mortgage-backed/asset backed securities	0	0	0	0	0	0
<b>Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$127,689</b>	<b>(\$3,662)</b>	<b>\$127,689</b>	<b>(\$3,662)</b>

**NOTES TO FINANCIAL STATEMENTS**

5. All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairments should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by a detailed analysis of the underlying credit and cash flows of each security. Unrealized losses are primarily attributable to credit spread widening and increased liquidity discounts. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities, if future events, information and the passage of time causes it to conclude that declines in value are other-than temporary.

**E. Repurchase Agreements and/or Securities Lending Transactions**

Not applicable

**F. Writedowns for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features**

Not applicable

**G. Low Income Housing Tax Credits**

Not applicable

**Note 6 - Joint Ventures, Partnerships and Limited Liability Companies****A. Detail for Those Greater than 10% of Admitted Assets**

Not applicable

**B. Writedowns for Impairment of Joint Ventures, Partnerships and LLCs**

Not applicable

**Note 7 - Investment Income****A. Accrued Investment Income**

The Company does not admit investment income due and accrued if amounts are over 90 days past due (180 days for mortgage loans).

**B. Amounts Nonadmitted**

Not applicable

**Note 8 - Derivative Instruments**

Not applicable

**Note 9 - Income Taxes****A. The amount of gross deferred tax assets (DTAs) and deferred tax liabilities (DTLs) comprising net DTAs is shown below as well as admitted, nonadmitted and change in nonadmitted DTAs.**

1.

	2011			2010			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	53,000	-	53,000	57,000	-	57,000	(4,000)	-	(4,000)
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	53,000	-	53,000	57,000	-	57,000	(4,000)	-	(4,000)
(d) Deferred Tax Liabilities	45,955	-	45,955	127,563	-	127,563	(81,608)	-	(81,608)
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	7,045	-	7,045	(70,563)	-	(70,563)	77,608	-	77,608
(f) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-	-	-	-
(g) Net Admitted Deferred Tax Assets (1e-1f)	7,045	-	7,045	(70,563)	-	(70,563)	77,608	-	77,608

2. The Company has not elected to admit additional DTAs pursuant to SSAP 10R, paragraph 10(e). The current period election does not differ from the prior reporting period.

3. Not applicable.

**NOTES TO FINANCIAL STATEMENTS**

4.

	2011			2010			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) Col 7+9 Total
<b>Admission Calculation Components – SSAP 10R, paragraphs 10.a., 10.b., and 10.c.:</b>									
(a) Paragraph 10.a.	53,000	-	53,000	57,000	-	57,000	(4,000)	-	(4,000)
(b) Paragraph 10.b. (the lesser paragraph of 10.b.i and 10.b.ii below)	-	-	-	-	-	-	-	-	-
(c) Paragraph 10.b.i.	-	-	-	-	-	-	-	-	-
(d) Paragraph 10.b.ii.	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
(e) Paragraph 10.c.	-	-	-	-	-	-	-	-	-
(f) Total (4a+4b+4e)	53,000	-	53,000	57,000	-	57,000	(4,000)	-	(4,000)
<b>Admission Calculation Components – SSAP 10R, paragraph 10.e.:</b>									
(g) Paragraph 10.e.i.	-	-	-	-	-	-	-	-	-
(h) Paragraph 10.e.ii. (the lesser paragraph of 10.e.ii.a. and 10.e.ii.b. below)	-	-	-	-	-	-	-	-	-
(i) Paragraph 10.e.ii.a.	-	-	-	-	-	-	-	-	-
(j) Paragraph 10.e.ii.b.	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
(k) Paragraph 10.e.iii.	-	-	-	-	-	-	-	-	-
(l) Total (4g+4h+4k)	-	-	-	-	-	-	-	-	-
<b>Used in SSAP 10R, Paragraph 10.d.:</b>									
(m) Total Adjusted Capital	XXX	XXX	12,543,400	XXX	XXX	12,727,348	XXX	XXX	(183,948)
(n) Authorized Control Level	XXX	XXX	245,387	XXX	XXX	293,743	XXX	XXX	(48,356)

5.

	2010			2009			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) Col 7+9 Total
<b>SSAP 10R, Paragraphs 10.a., 10.b. and 10.c.:</b>									
(a) Admitted Deferred Tax Assets	7,045	-	7,045	(70,563)	-	(70,563)	77,608	-	77,608
(b) Admitted Assets	XXX	XXX	13,631,961	XXX	XXX	14,080,820	XXX	XXX	(448,859)
(c) Adjusted Statutory Surplus*	XXX	XXX	12,543,400	XXX	XXX	12,727,348	XXX	XXX	(183,948)
(d) Total Adjusted Capital from DTAs	XXX	XXX	7,045	XXX	XXX	(70,563)	XXX	XXX	77,608
<b>Increases due to SSAP 10R, paragraph 10.e.</b>									
(e) Admitted Deferred Tax Assets	-	-	-	-	-	-	-	-	-
(f) Admitted Assets	-	-	-	-	-	-	-	-	-
(g) Statutory Surplus	-	-	-	-	-	-	-	-	-

\* As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No. 10R, Paragraph 10bii.

6.

	December 31, 2011		
	Ordinary	Capital	Total %
<b>Impact of Tax Planning Strategies</b>			
a. Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.0%	0.0%	0.0%
b. Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0%	0.0%	0.0%

B. Regarding deferred tax liabilities that are not recognized:

Not applicable

C. Current and deferred income taxes consist of the following major components

1. Current Income Tax:

	(1) 2011	(2) 2010	(3) (Col 1-2) Change
(a) Federal	161,000	216,000	(55,000)
(b) Foreign	-	-	-
(c) Subtotal	161,000	216,000	(55,000)
(d) Federal income tax on net capital gains	191,000	211,000	(20,000)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and Foreign income taxes incurred	352,000	427,000	(75,000)

**NOTES TO FINANCIAL STATEMENTS**

## 2. Deferred Tax Assets:

	(1) 2011	(2) 2010	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	3,400	7,000	(3,600)
(2) Unearned premium reserve	49,600	50,000	(400)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	-	-	-
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	-	-	-
(14) Other assets – nonadmitted	-	-	-
(99) Subtotal	53,000	57,000	(4,000)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	53,000	57,000	(4,000)
(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	-	-	-
(i) Admitted deferred tax assets (2d+2h)	53,000	57,000	(4,000)

## 3. Deferred Tax Liabilities:

	2011	2010	Change
(a) Ordinary:			
(1) Investments	45,955	127,563	(81,608)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax assets)	-	-	-
(6) Additional acquisition costs-installment premiums	-	-	-
(7) Discount of accrued salvage and subrogation	-	-	-
(8) Guaranty funds receivable	-	-	-
(99) Subtotal	45,955	127,563	(81,608)
(b) Capital:			
(1) Investments	-	-	-
(2) Real estate			
(3) Other (including items <5% of total capital tax assets)			
(99) Subtotal	-	-	-
(c) Deferred tax liabilities (3a99+3b99)	45,955	127,563	(81,608)

## 4. Net Deferred Tax Assets/Liabilities (2i-3c)

\$7,045      \$(70,563)      \$81,563

**NOTES TO FINANCIAL STATEMENTS****D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate**

Among the more significant book to tax adjustments were the following:

	2011	
	Amount In Thousands	Effective Tax Rate (%)
Provision computed at statutory rate	352,000	34.0
Change in nonadmitted assets	-	-
Tax exempt income deduction	-	-
Dividends received deduction	-	-
Accrued dividend from 100% owned affiliate	-	-
Goodwill amortization	-	-
Proration of tax exempt investment income	-	-
Other than temporary impairments	-	-
Disallowed travel and entertainment	-	-
Taxes recovered – 2007 RAR	-	-
Accrual adjustment – prior year	-	-
Other	5,000	0.5
<b>Totals</b>	<b>357,000</b>	<b>34.5</b>
Federal and foreign income taxes incurred	161,000	15.5
Realized capital gains (losses) tax	191,000	18.4
Change in net deferred income taxes	5,000	0.5
<b>Total statutory income taxes</b>	<b>357,000</b>	<b>34.5</b>

**E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits**

- At December 31, 2011, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The following is income tax expense for 2011 and 2010 that is available for recoupment in the event of future net losses:

Year	Amount
2011	\$357,000
2010	\$416,000

- The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

**F. Consolidated Federal Income Tax Return**

- The Company's federal income tax return is consolidated with the following entities:

The Ohio Automobile Club (Parent)  
Auto Club Insurance Agency  
Club Holding Corporation

- The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

**Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties****A. Nature of Relationships**

The Company is a wholly owned subsidiary of The Ohio Automobile Club (Parent), a not-for-profit company incorporated in Ohio. The parent company is the primary source of revenue and leads for new business.

**B. Detail of Transactions Greater than 1/2% of Admitted Assets**

The Company pays management fees based on a management agreement to the Parent.

The Company pays tax payments to the Parent based upon a tax sharing agreement.

The Parent pays Club Insurance for a group policy covering all AAA Ohio members.

The Parent paid Club Insurance for annual policies sold by parent to AAA Ohio members.

The Company paid the parent commission for policies sold and renewed to AAA members.

**NOTES TO FINANCIAL STATEMENTS****C. Dollar amounts of transactions for each period for which financial statements are presented.**

The Company paid management fees of \$400,000 in 2011 and \$230,000 in 2010.

The Company paid pass through tax payments to the Parent in the amount of \$357,000 for 2011 and \$416,000 for 2010.

The Parent paid \$753,511 in 2011 and \$754,636 in 2010 to Club Insurance for a group policy covering all AAA Ohio members.

The Parent paid \$390,460 in 2011 and \$383,027 in 2010 to Club Insurance for annual policies sold to AAA Ohio members by parent.

The Company paid commission of \$152,408 in 2011 and \$149,665 in 2010 to the parent for policies sold and renewed to AAA members.

The Company paid dividend of \$700,000 to parent in 2011 and 2010.

**D. Amounts Due to or from Related Parties**

Due from Parent amount of \$141,900 for December insurance premiums.

Due to Parent amount of \$123,828 for commissions, federal taxes, management fee, and miscellaneous expenses paid by parent.

**E. Guarantees or Contingencies for Related Parties**

Not applicable

**F. Management, Service Contracts, Cost Sharing Arrangements**

The Parent has agreed to provide certain management services to the company for an annual fee of \$400,000 paid on a monthly basis.

**G. Nature of Relationships that Could Affect Operations**

Parent owns all outstanding shares of the Company.

**H. Amount Deducted for Investment in Upstream Company**

Not applicable

**I. Detail of investments in Affiliates Greater than 10% of admitted assets**

Not applicable

**J. Write down for Impairments in Affiliates.**

Not applicable

**K. Foreign subsidiary Valued using CARVM**

Not applicable

**L. Downstream Holding Company Valued Look-Through Method**

Not applicable

**Note 11 - Debt****A. Amount, interest, maturities, collateral, covenants**

Not applicable

**B. FHLB Agreements**

Not applicable

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

The Parent does not have a defined benefit pension plan. The Parent does not sponsor a postretirement health care plan.

**B. Defined Contribution Plans**

The Parent sponsors a defined contribution savings plan covering substantially all employees of the Company. See Note 12D.

**C. Multiemployer Plans**

Not applicable

**NOTES TO FINANCIAL STATEMENTS****D. Consolidated/Holding Company Plans**

The Parent does not sponsor a defined benefit pension plan.

The Parent does not sponsor a postretirement health care benefit plan.

The Parent sponsors a defined contribution savings plan covering substantially all employees of the Company. Employees may contribute up to 15% of salary to the plan, of which the first 4% is contributed by the parent as a "safe harbor", the parent then will match the next 4% employee contribution subject to a 50% Parent match. The Parent match is funded bi-weekly and the Company is not allocated expense for this. The Company has no legal obligation for benefits under this plan.

**E. Postemployment Benefits and Compensated Absences**

The Company has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation. The liability for earned but untaken vacation has not been accrued.

**F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)**

The Company has no postretirement benefit obligations under this act.

**Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations****A. Outstanding Shares**

The Company has 850 shares of \$10,000 par value common stock authorized and 100 shares issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

**B. Dividend Rate of Preferred Stock**

Not applicable

**B. Dividend Restrictions**

Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the state of Ohio to no more than 10% of unassigned surplus.

**C. Dividend Restrictions**

Under the insurance regulations of Ohio, the maximum amount of ordinary dividends that the Company may pay to shareholders in a twelve month period is limited to 10% of unassigned surplus. Accordingly, the maximum amount of ordinary dividends that the Company may pay in the next year is \$950,347. Dividends above this amount would be deemed extraordinary and may not be paid unless approved by the Commissioner of Insurance of Ohio.

**D. Dates and Amounts of Dividends Paid**

Ordinary dividends of \$700,000 was paid to parent in September 8, 2011.

**F. Restrictions on Unassigned Funds**

There were no restrictions placed on the Company's surplus, including for whom the surplus is being held for.

**G. Mutual Surplus Advances**

Not applicable

**H. Company Stock Held for Special Purposes.**

Not applicable

**I. Changes in Special Surplus Funds**

Not applicable

**J. Changes in Unassigned Funds**

The portion of Unassigned funds (surplus) represented by cumulative unrealized capital gains is \$135,162 less applicable deferred taxes of \$45,955, for a net balance of \$89,207.

**K. Surplus Notes**

Not applicable

**L. and M. Quasi Reorganizations**

Not applicable

**NOTES TO FINANCIAL STATEMENTS****Note 14 - Contingencies**

- A. Contingent Commitments  
Not applicable
- B. Guaranty Fund and Other Assessments  
Not applicable
- C. Gain Contingencies  
Not applicable
- D. Extra Contractual Obligation and Bad Faith Losses  
Not applicable
- E. Other Contingencies  
Not applicable

**Note 15 - Leases**

- A. Lessee Leasing Arrangements  
Not applicable
- B. Lessor Leasing Arrangements  
Not applicable

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

- A. Face or Contract Amounts  
Not applicable
- B. Nature and Terms  
Not applicable
- C. Exposure to credit-related losses  
Not applicable
- D. Collateral policy  
Not applicable

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

- A. Transfers of Receivables Reported as Sales  
Not applicable
- B. Transfers and Servicing of Financial Assets  
Not applicable
- A. Wash Sales

In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the yield of investments.

**Note 18 - Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

- A. Administrative Services Only (ASO) Plans  
Not applicable
- B. Administrative Services Contract (ASC) Plans  
Not applicable

**NOTES TO FINANCIAL STATEMENTS**

## C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

## A. Detail if amount greater than 5% of policyholder surplus

Not applicable

**Note 20 – Fair Value Measurements**

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

Our Investments fall into two levels of fair value measurement. Our money manager, Manning & Napier, obtains values based upon exchanged traded values. The second is that we have one equity (ACLI Acquisition Corp) that is a privately held company. Value is based upon the equity method of valuation.

## B. Other Fair Value Disclosures

Not applicable

## C. Reasons Not Practical to Estimate Fair Values

Not applicable

**Note 21 - Other Items**

## A. Extraordinary Items

Not applicable

## B. Troubled Debt Restructuring for Debtors

Not applicable

## C. Other Disclosures

Not applicable

## D. Uncollectible Premiums Receivable

Not applicable

## E. Business Interruption Insurance Recoveries

Not applicable

## F. State Transferable Tax Credits

Not applicable

## G. Subprime Mortgage Related Risk Exposure

## 1. Subprime Mortgage Exposures

The Company does not invest subprime mortgage classes that could potentially be adversely affected by subprime mortgage exposure. The Company believes that its greatest exposure is to unrealized losses from declines in asset values versus realized losses resulting from defaults or foreclosures. Conservative lending and investment practices limit the Company's exposure to such losses.

## 2. Direct Exposure – Mortgage Loans

Not applicable

## 3. Direct Exposure – Other Investment Classes

The Company has several other investment classes that could have subprime mortgage exposure including:

- Mortgage-backed securities
- Debt obligations of financial institutions participating in subprime lending practices
- Unaffiliated equity securities, both preferred and common, issued by financial institutions participating in subprime lending
- Equity interests in affiliated financial institutions

Additionally, the Company has reviewed the investment objectives of its investments in hedge funds, partnerships and limited-liability corporations and determined that its subprime mortgage exposure is negligible on these investments.

**NOTES TO FINANCIAL STATEMENTS**

The Company has reviewed its mortgage-backed security portfolio and determined that all of these investments are in pools that are backed by loans made to well qualified borrowers or in tranches that have minimal default risk. All bonds held that were issued by financial institutions participating in subprime lending activities are investment grade quality. Default risk on these bonds appears minimal. The impact on these investments should the subprime credit crisis worsen cannot be assessed at this time.

## 4. Underwriting Exposure

Not applicable

**Note 22 - Events Subsequent**

A. Subsequent events have been considered through February 28, 2012 for these statutory financial statements which are to be issued February 28, 2012. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

**Note 23 - Reinsurance**

## A. Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate reinsurance recoverable for paid and unpaid losses, loss adjustment expenses and unearned premiums from any individual reinsurer, authorized or unauthorized, that exceeds 3% of policyholders' surplus.

NAIC Code	Federal ID #	Name of Reinsurer	Amount
		None	

## B. Reinsurance Recoverables in Dispute

The Company does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or exceed 10% of policyholders' surplus in aggregate.

Name of Reinsurer	Total Amount in Dispute (Including IBNR)	Status of Dispute		
		Notification	Arbitration	Litigation
	None			

## C. Reinsurance Assumed and Ceded and Protected Cells

Our one reinsurance contract does not have any provisions for any additional or return commissions.

## D. Uncollectible Reinsurance

Not applicable

## E. Commutation of Ceded Reinsurance

Not applicable

## F. Retroactive Reinsurance

Not applicable

## G. Reinsurance Accounted for as a Deposit

Not applicable

## H. Run-off Agreements

Not applicable

**Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination**

## A. Method Used to Estimate

Not applicable.

## B. Method Used to Record

Not applicable.

## C. Amount and Percent of Net Retrospective Premiums

Not applicable.

## D. Calculation of Nonadmitted Accrued Retrospective Premiums

Not applicable

**NOTES TO FINANCIAL STATEMENTS****Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses**

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by \$155,807 during 2011 from \$295,093 to \$139,286 as a result of re-estimation of unpaid losses and loss adjustment expenses. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. However, the net impact was not significant on surplus.

**Note 26 - Intercompany Pooling Arrangements**

A. Not applicable

**Note 27 - Structured Settlements**

A. Reserves Released Due to Purchase of Annuities

Not applicable

B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus

Not applicable

**Note 28 - Health Care Receivables**

A. and B. Not applicable

**Note 29 - Participating Policies**

A. Not applicable

**Note 30 - Premium Deficiency Reserves**

A. The Company evaluated the need to record a premium deficiency reserve as of the end of the current year and determined none was needed.

**Note 31 - High Deductibles**

A. Not applicable

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

A. Tabular Discounts

Not applicable

B. Non-Tabular Discounts

Not applicable

C. Changes in Discount Assumptions

Not applicable

**Note 33 - Asbestos and Environmental Reserves**

A. Five-Year Rollforward of Asbestos Reserves, Direct, Assumed and Net

Not applicable

B. Ending Reserves for Asbestos Claims for Bulk and IBNR Losses and LAE Included in A above:

Not applicable

C. Ending Reserves for Asbestos Claims for LAE Included in A above (Case, Bulk and IBNR):

Not applicable

D. Five-Year Rollforward of Environmental Reserves, Direct, Assumed and Net

Not applicable

E. Ending Reserves for Environmental Claims for Bulk and IBNR Losses and LAE Included in D above:

Not applicable

## **NOTES TO FINANCIAL STATEMENTS**

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F. Ending Reserves for Environmental Claims for LAE Included in D above (Case, Bulk and IBNR):

Not applicable

**Note 34 – Subscriber Savings Accounts**

A. Not applicable

**Note 35 – Multiple Peril Crop Insurance**

A. Not applicable

**Note 36 – Financial Guaranty Insurance**

A. and B. 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 [ ] No [ X ]

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 [ ] No [ ] N/A [ X ]

1.3 State regulating?

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

2.2 If yes, date of change: \_\_\_\_\_

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. \_\_\_\_\_ 12/31/2009

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. \_\_\_\_\_ 12/31/2009

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). \_\_\_\_\_ 07/13/2010

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 [ X ] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ 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 [ X ] No [ ]

4.22 renewals? Yes [ X ] No [ ]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

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.

1 Name of Entity	2 NAIC Co. 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,

7.21 State the percentage of foreign control ..... %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

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 locations (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.

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? GBQ Partners LLC, 230 West St, Columbus OH 43215

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 the 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 the 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? Jeff Scholl, Mercer Wyman Actuarial Consulting, 325 John H McConnell Blvd, Columbus OH 43215 Independent acturyassociated with outside firm

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 \_\_\_\_\_

12.13 Total book/adjusted carrying value \_\_\_\_\_

12.2 If yes, provide explanation.

**GENERAL INTERROGATORIES**

## 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 [X] No [ ]

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

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

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

**PART 1 - COMMON INTERROGATORIES - 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 [ ]

**PART 1 - COMMON INTERROGATORIES - 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 the 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	.....
21.22 Borrowed from others	.....
21.23 Leased from others	.....
21.24 Other	.....

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	.....
22.22 Amount paid as expenses	.....
22.23 Other amounts paid	.....

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount.

**PART 1 - COMMON INTERROGATORIES - 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 [X] No [ ]

24.2 If no, give full and complete information relating thereto.

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 [X] No [ ] N/A [ ]

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.

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

**Club Insurance Company****PART 1 - COMMON INTERROGATORIES - INVESTMENT**

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]

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 Nature of Restriction	2 Description	3 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?  Yes [ ]  No [ ]  N/A [X]  
 If no, attach a description with this statement.

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: .....

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 1, 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 Name of Custodian(s)	2 Custodian's Address
Fidelity Registered Investment Advisor Group	500 Salem St, Smithfield, RI 02917

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 Name(s)	2 Location(s)	3 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 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

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

1 Central Registration Depository Number(s)	2 Name	3 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 [X]  No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj.Carrying Value
56382P 56	M & N Emerging Markets	30,593
56382P 57	M & N Inflation Focus	34,861
56382P 64	M & N Real Estate	80,536
563821 10	M & N Small Cap Series	66,525
563821 21	M & N Technology Series	70,287
563821 52	M & N International Series	106,340
563821 54	M & N World Opportunity	44,466
563821 68	M & N Ohio Tax Exempt	234,273
563821 79	M & N Life Sciences Series	78,694
563821 80	M & N Financial Series	62,101
29.2999. TOTAL		808,676

**Club Insurance Company****PART 1 - COMMON INTERROGATORIES - INVESTMENT**29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation
M & N Emerging Markets	Grupo Televisa	2,375	
M & N Emerging Markets	JSE Ltd	2,315	
M & N Emerging Markets	Compania Cervecerias Unidas	2,036	
M & N Emerging Markets	Powershares India Portfolio	2,029	
M & N Emerging Markets	Mando Corp	2,016	
M & N Inflation Focus	Monsanto Co	3,519	
M & N Inflation Focus	Syngenta AG-Reg	2,854	
M & N Inflation Focus	Pall Corp	2,422	
M & N Inflation Focus	Home Properties Inc	2,202	
M & N Inflation Focus	Maxwell Technologies Inc	2,195	
M & N Real Estate	Simon Property Group Inc	3,360	
M & N Real Estate	Biomed Realty Trust Inc	3,113	
M & N Real Estate	Digital Realty Trust	2,741	
M & N Real Estate	UDR Inc	2,714	
M & N Real Estate	Boston Properties Inc	2,668	
M & N Small Cap Series	Westport Innovations Inc	2,422	
M & N Small Cap Series	RailAmerica Inc	2,082	
M & N Small Cap Series	AMC Networks Inc	1,796	
M & N Small Cap Series	Eagle Materials Inc	1,550	
M & N Small Cap Series	Infinera Corp	1,484	
M & N Technology Series	Goggle Inc-CL A	4,351	
M & N Technology Series	Qualcomm Inc	4,196	
M & N Technology Series	EMC Corp	3,655	
M & N Technology Series	Apple Computer Inc	3,388	
M & N Technology Series	Comscore Inc	3,353	
M & N International Series	BASF SE	3,626	
M & N International Series	Siemens AG	3,541	
M & N International Series	Unilever PLC-Sponsored ADR	3,456	
M & N International Series	Gentelevision Telecinco SA	3,084	
M & N International Series	Telefonia SA	2,988	
M & N World Opportunity	Lonza Group AG-Reg	1,885	
M & N World Opportunity	Amdocs Ltd	1,748	
M & N World Opportunity	Ryanair Holdings PLC	1,503	
M & N World Opportunity	Schlumberger Ltd	1,330	
M & N World Opportunity	Sonic Healthcare Ltd	1,290	
M & N Ohio Tax Exempt	Canal Winchester Ohio Loc	10,074	
M & N Ohio Tax Exempt	Cincinnati Ohio City Sch Dist	8,293	
M & N Ohio Tax Exempt	Licking Heights Ohio Loc	8,270	
M & N Ohio Tax Exempt	North Royalton Ohio Var Purp	7,403	
M & N Ohio Tax Exempt	Columbus OH City Sch Dist	7,380	
M & N Life Sciences Series	Insulet Corp	5,099	
M & N Life Sciences Series	Myriad Genetics Inc	4,761	
M & N Life Sciences Series	Dendreon Corp	4,289	
M & N Life Sciences Series	UCB SA	4,108	
M & N Life Sciences Series	Advisory Board Co	3,463	
M & N Financial Series	MasterCard Inc	3,478	
M & N Financial Series	Visa Inc	3,267	
M & N Financial Series	State Street Corp	2,937	
M & N Financial Series	US Bancorp	2,925	
M & N Financial Series	Bank of New York Mellon Corp	2,807	

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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	10,124,776	10,373,065	248,289
30.2 Preferred stocks.....			0
30.3 Totals.....	10,124,776	10,373,065	248,289

30.4 Describe the sources or methods utilized in determining the fair values:

Our investment manager provides end of month/year reporting listing current market price for all publicly traded investment in our portfolio

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ X ] No [ ]

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? Yes [ X ] No [ ]

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.

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

32.2 If no, list exceptions:

**PART 1 - COMMON INTERROGATORIES - OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....13,796

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.

1 Name	2 Amount Paid
AM Best Company Inc	10,100

**PART 1 - COMMON INTERROGATORIES - OTHER**

34.1 Amount of payments for legal expenses, if any? \$.....0

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

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0

35.2 List the name of the 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 departments of government during the period covered by this statement.

1 Name	2 Amount Paid

**GENERAL INTERROGATORIES****PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]  
 1.2 If yes, indicate premium earned on U.S. business only.  
 1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?  
 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.  
 1.5 Indicate total incurred claims on all Medicare Supplement insurance.  
 1.6 Individual policies:  
 Most current three years:  
 1.61 Total premium earned .....  
 1.62 Total incurred claims .....  
 1.63 Number of covered lives .....  
 All years prior to most current three years:  
 1.64 Total premium earned .....  
 1.65 Total incurred claims .....  
 1.66 Number of covered lives .....  
 1.7 Group policies:  
 Most current three years:  
 1.71 Total premium earned .....  
 1.72 Total incurred claims .....  
 1.73 Number of covered lives .....  
 All years prior to most current three years:  
 1.74 Total premium earned .....  
 1.75 Total incurred claims .....  
 1.76 Number of covered lives .....  
 2. Health test:  

1 Current Year	2 Prior Year
\$.....0	\$.....0
\$.....1,401,829	\$.....1,524,241
.....0.0	.....0.0
\$.....897,760	\$.....1,036,119
\$.....930,098	\$.....1,167,660
96.5	88.7

 2.1 Premium Numerator .....  
 2.2 Premium Denominator .....  
 2.3 Premium Ratio (2.1/2.2) .....  
 2.4 Reserve Numerator .....  
 2.5 Reserve Denominator .....  
 2.6 Reserve Ratio (2.4/2.5) .....  
 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ ] No [X]  
 3.2 If yes, state the amount of calendar year premiums written on:  
 3.21 Participating policies .....  
 3.22 Non-participating policies .....  
 4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:  
 4.1 Does the reporting entity issue assessable policies? Yes [ ] No [X]  
 4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [X]  
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....%  
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. ....  
 5. FOR RECIPROCAL EXCHANGES ONLY:  
 5.1 Does the exchange appoint local agents? Yes [ ] No [X]  
 5.2 If yes, is the commission paid:  
 5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [X]  
 5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]  
 5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?  
 \_\_\_\_\_  
 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [X]  
 5.5 If yes, give full information:  
 \_\_\_\_\_  
 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
 \_\_\_\_\_  
 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:  
 \_\_\_\_\_  
 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
 \_\_\_\_\_  
 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [X]  
 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:  
 \_\_\_\_\_  
 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]  
 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.  
 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]

**GENERAL INTERROGATORIES****PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information:

---

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

- (a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?

Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?

Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

- (a) The entity does not utilize reinsurance; or
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [X] No [ ]

Yes [ ] No [X]

Yes [ ] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No [ ] N/A [X]

11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information:

---

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses	\$.....0
12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$.....0

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: \$.....0

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [ ] N/A [X]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From	.....%
12.42 To	.....%

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

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

12.61 Letters of credit	.....
12.62 Collateral and other funds	.....

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....0

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. .....0

**GENERAL INTERROGATORIES****PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

14.1 Is the company a cedant in a multiple cedant reinsurance contract?

Yes [ ] No [X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

---

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [ ] No [ ]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [ ] No [ ]

14.5 If the answer to 14.4 is no, please explain:

---

15.1 Has the reporting entity guaranteed any financed premium accounts?

Yes [ ] No [X]

15.2 If yes, give full information:

---

16.1 Does the reporting entity write any warranty business?

Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home.....	.....	.....	.....	.....	.....
16.12 Products.....	.....	.....	.....	.....	.....
16.13 Automobile.....	.....	.....	.....	.....	.....
16.14 Other*.....	.....	.....	.....	.....	.....

\* Disclose type of coverage: .....

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5?

Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.

Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

.....

17.12 Unfunded portion of Interrogatory 17.11

.....

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11

.....

17.14 Case reserves portion of Interrogatory 17.11

.....

17.15 Incurred but not reported portion of Interrogatory 17.11

.....

17.16 Unearned premium portion of Interrogatory 17.11

.....

17.17 Contingent commission portion of Interrogatory 17.11

.....

Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:

17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

.....

17.19 Unfunded portion of Interrogatory 17.18

.....

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18

.....

17.21 Case reserves portion of Interrogatory 17.18

.....

17.22 Incurred but not reported portion of Interrogatory 17.18

.....

17.23 Unearned premium portion of Interrogatory 17.18

.....

17.24 Contingent commission portion of Interrogatory 17.18

.....

18.1 Do you act as a custodian for health savings account?

Yes [ ] No [X]

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

.....

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

Yes [ ] No [X]

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

.....

**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)			208,138	443,502	322,336
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)			176,614	351,521	251,464
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,400,765	1,395,480	1,433,243	1,934,894	2,032,895
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	1,400,765	1,395,480	1,817,995	2,729,917	2,606,695
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)			208,138	443,502	322,336
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)			176,614	351,521	251,464
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,400,765	1,395,480	1,433,243	1,934,894	2,032,895
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	1,400,765	1,395,480	1,817,995	2,729,917	2,606,695
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	373,822	536,038	705,960	836,429	940,218
14. Net investment gain (loss) (Line 11)	661,646	722,180	440,866	80,107	855,628
15. Total other income (Line 15)					
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	357,000	416,000	396,000	283,000	611,000
18. Net income (Line 20)	678,468	842,218	750,826	633,536	1,184,846
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	13,631,961	14,080,820	14,150,011	13,832,962	13,779,433
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	141,900	151,619	158,985	339,177	215,963
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,088,561	1,353,472	1,680,971	1,946,876	1,895,401
22. Losses (Page 3, Line 1)	200,223	436,721	579,315	613,570	526,939
23. Loss adjustment expenses (Page 3, Line 3)					
24. Unearned premiums (Page 3, Line 9)	729,875	730,939	859,700	1,203,244	1,229,821
25. Capital paid up (Page 3, Lines 30 & 31)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	12,543,400	12,727,348	12,469,040	11,886,086	11,884,031
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	182,101	213,803	557,448	1,077,697	878,628
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	12,543,400	12,727,348	12,469,040	11,886,086	11,884,031
29. Authorized control level risk-based capital	245,387	293,743	322,849	312,488	359,000
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b>					
(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	75.4	72.4	69.5	72.6	69.6
31. Stocks (Lines 2.1 & 2.2)	19.4	22.5	22.4	20.0	26.6
32. Mortgage loans on real estate (Lines 3.1 & 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	5.2	5.1	8.1	7.4	3.7
35. Contract loans (Line 6)					
36. Derivatives (Line 7)			XXX	XXX	XXX
37. Other invested assets (Line 8)					
38. Receivable for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)			XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above lines 42 to 47	0	0	0	0	0
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0				

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2011	2	3 2009	4 2008	5 2007
<b>Capital and Surplus Accounts (Page 4)</b>					
50. Net unrealized capital gains (losses) (Line 24).....	.....(240,024)	.....194,076	.....952,494	.....(915,144)	.....(139,842)
51. Dividends to stockholders (Line 35).....	.....(700,000)	.....(700,000)	.....(800,000)	.....	.....
52. Change in surplus as regards policyholders for the year (Line 38).....	.....(183,948)	.....258,308	.....582,954	.....2,059	.....1,101,858
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1&amp;2)</b>					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	.....92,267	.....136,444	.....284,319	.....296,519	.....144,163
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	.....(1,505)	.....37,327	.....168,839	.....256,269	.....149,115
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....	.....	.....	.....	.....
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....266,878	.....286,454	.....203,991	.....261,108	.....296,015
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
58. Total (Line 35).....	.....357,640	.....460,225	.....657,149	.....813,896	.....589,293
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	.....92,267	.....86,920	.....284,319	.....296,519	.....144,163
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	.....(1,505)	.....(12,197)	.....168,839	.....256,269	.....149,115
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....	.....	.....	.....	.....
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....266,878	.....286,454	.....203,991	.....261,108	.....296,015
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
64. Total (Line 35).....	.....357,640	.....361,177	.....657,149	.....813,896	.....589,293
<b>Operating Percentages</b>					
(Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1).....	.....100.0	.....100.0	.....100.0	.....100.0	.....100.0
66. Losses incurred (Line 2).....	.....8.6	.....14.3	.....28.8	.....32.7	.....26.3
67. Loss expenses incurred (Line 3).....	.....9.3	.....3.7	.....2.5	.....2.1	.....2.1
68. Other underwriting expenses incurred (Line 4).....	.....55.4	.....46.8	.....36.0	.....34.9	.....34.0
69. Net underwriting gain (loss) (Line 8).....	.....26.7	.....35.2	.....32.7	.....30.3	.....37.6
<b>Other Percentages</b>					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	.....55.4	.....51.1	.....42.8	.....35.3	.....32.6
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	.....18.0	.....18.1	.....31.3	.....34.7	.....28.4
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	.....11.2	.....11.0	.....14.6	.....23.0	.....21.9
<b>One Year Loss Development (000 omitted)</b>					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	.....(208)	.....(209)	.....(54)	.....(133)	.....(209)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100).....	.....(1.6)	.....(1.7)	.....(0.5)	.....(1.1)	.....(1.9)
<b>Two Year Loss Development (000 omitted)</b>					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	.....(264)	.....(76)	.....(164)	.....(231)	.....(291)
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0).....	.....(2.1)	.....(0.6)	.....(1.4)	.....(2.1)	.....(3.0)

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 

If no, please explain:

---



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## SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

## SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	XXX.....	XXX.....	XXX.....								0	XXX.....	
2. 2002.....	2,012	18	1,994	169							169	XXX.....	
3. 2003.....	2,151	31	2,120	255							255	XXX.....	
4. 2004.....	2,136	31	2,105	369							369	XXX.....	
5. 2005.....	2,383	26	2,357	363	25			88		3	426	XXX.....	
6. 2006.....	2,355		2,355	466				56		25	522	XXX.....	
7. 2007.....	2,499		2,499	720				63		50	783	XXX.....	
8. 2008.....	2,756		2,756	980				69		53	1,049	XXX.....	
9. 2009.....	2,161		2,161	517	99			51		40	469	XXX.....	
10. 2010.....	1,524		1,524	260				44			304	XXX.....	
11. 2011.....	1,402		1,402	175				118			293	XXX.....	
12. Totals.....	XXX.....	XXX.....	XXX.....	4,274	124	0	0	489	0	171	4,639	XXX.....	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....											0	XXX.....	
2. 2002.....											0	XXX.....	
3. 2003.....											0	XXX.....	
4. 2004.....											0	XXX.....	
5. 2005.....											0	XXX.....	
6. 2006.....											0	XXX.....	
7. 2007.....	2										2	XXX.....	
8. 2008.....	11										11	XXX.....	
9. 2009.....	19										19	XXX.....	
10. 2010.....	7		8								15	XXX.....	
11. 2011.....	92		61								153	XXX.....	
12. Totals.....	131	0	69	0	0	0	0	0	0	0	200	XXX.....	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount		
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid	
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....			XXX.....	0	0	
2. 2002.....	169	0	169	8.4	0.0	8.5				0	0	
3. 2003.....	255	0	255	11.9	0.0	12.0				0	0	
4. 2004.....	369	0	369	17.3	0.0	17.5				0	0	
5. 2005.....	451	25	426	18.9	96.2	18.1				0	0	
6. 2006.....	522	0	522	22.2	0.0	22.2				0	0	
7. 2007.....	785	0	785	31.4	0.0	31.4				2	0	
8. 2008.....	1,060	0	1,060	38.5	0.0	38.5				11	0	
9. 2009.....	587	99	488	27.2	0.0	22.6				19	0	
10. 2010.....	319	0	319	20.9	0.0	20.9				15	0	
11. 2011.....	446	0	446	31.8	0.0	31.8				153	0	
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	200	0	

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of

Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior....	35	14	13	13	13	13	13	13	13	13	0	0
2. 2002....	313	212	172	169	169	169	169	169	169	169	0	0
3. 2003....	XXX....	415	334	261	255	255	255	255	255	255	0	0
4. 2004....	XXX....	XXX....	544	463	377	369	369	369	369	369	0	0
5. 2005....	XXX....	XXX....	XXX....	527	395	336	338	338	338	338	0	0
6. 2006....	XXX....	XXX....	XXX....	XXX....	635	493	469	466	468	466	(2)	0
7. 2007....	XXX....	XXX....	XXX....	XXX....	XXX....	866	755	727	725	722	(3)	(5)
8. 2008....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	1,034	1,011	989	991	2	(20)
9. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	676	489	437	(52)	(239)
10. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	428	275	(153)	XXX....
11. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	328	XXX....	XXX....
										12. Totals....	(208)	(264)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011		
1. Prior....	000....	10	13	13	13	13	13	13	13	13	XXX....	XXX....
2. 2002....	93	160	168	169	169	169	169	169	169	169	XXX....	XXX....
3. 2003....	XXX....	146	249	255	255	255	255	255	255	255	XXX....	XXX....
4. 2004....	XXX....	XXX....	261	365	369	369	369	369	369	369	XXX....	XXX....
5. 2005....	XXX....	XXX....	XXX....	196	321	330	338	338	338	338	XXX....	XXX....
6. 2006....	XXX....	XXX....	XXX....	XXX....	258	429	461	461	466	466	XXX....	XXX....
7. 2007....	XXX....	XXX....	XXX....	XXX....	XXX....	409	660	707	713	720	XXX....	XXX....
8. 2008....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	523	894	947	980	XXX....	XXX....
9. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	239	350	418	XXX....	XXX....
10. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	186	260	XXX....	XXX....
11. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	175	XXX....	XXX....

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior....	17	4								
2. 2002....	160	45	2							
3. 2003....	XXX....	174	69	6						
4. 2004....	XXX....	XXX....	189	60	4					
5. 2005....	XXX....	XXX....	XXX....	222	59	1				
6. 2006....	XXX....	XXX....	XXX....	XXX....	228	24	1			
7. 2007....	XXX....	XXX....	XXX....	XXX....	XXX....	256	20	1		
8. 2008....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	185	20	3	
9. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	198	23	
10. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	174	8
11. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	61

**Club Insurance Company**  
**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
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	1,400,765	1,401,829		266,878	129,583	167,885	
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. US Virgin Islands.....	VI	N							
56. Northern Mariana Islands.....	MP	N							
57. Canada.....	CN	N							
58. Aggregate Other Alien.....	OT	XXX	0	0	0	0	0	0	0
59. Totals.....	(a)	1	1,400,765	1,401,829	0	266,878	129,583	167,885	0

## DETAILS OF WRITE-INS

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

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

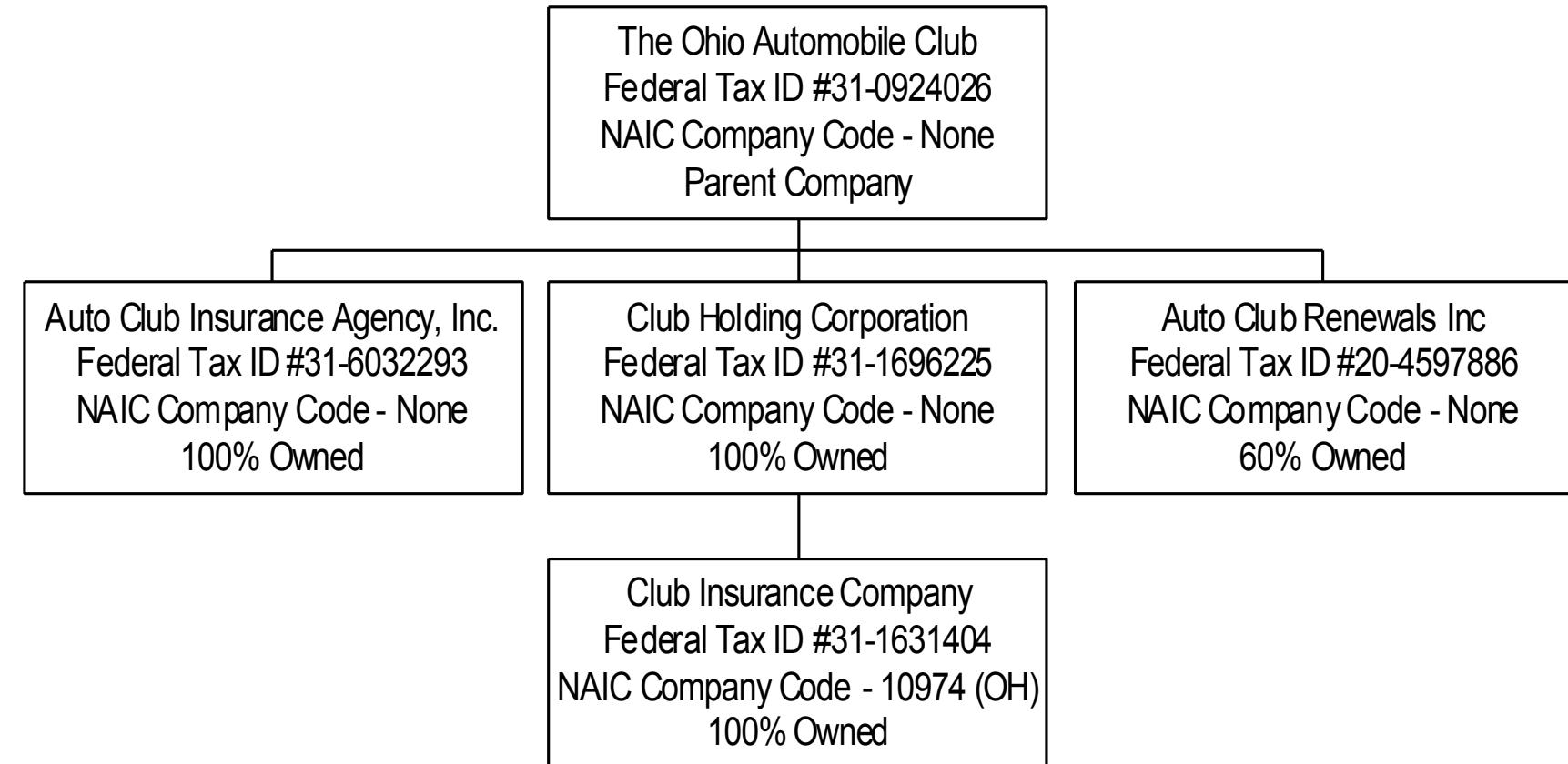
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of Basis of Allocation of Premiums by States, etc.

All premiums are in Ohio

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

### **PART 1 – ORGANIZATIONAL CHART**



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