



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

PHYSICIANS INSURANCE COMPANY OF OHIO

NAIC Group Code00000000NAIC Company Code32999Employer's ID Number31-0889180

(Current)(Prior)

Organized under the Laws ofOhio, State of Domicile or Port of EntryOH

Country of DomicileUnited States of America

Incorporated/Organized09/03/1976Commenced Business12/27/1976

Statutory Home Office399 Venture Drive, Suite D, Lewis Center , OH 43035

(Street and Number)(City or Town, State and Zip Code)

Main Administrative Office399 Venture Drive, Suite D

(Street and Number)

Lewis Center , OH 43035800-282-7515-502

(City or Town, State and Zip Code)(Area Code) (Telephone Number)

Mail Address399 Venture Drive, Suite D, Lewis Center , OH 43035

(Street and Number or P.O. Box)(City or Town, State and Zip Code)

Primary Location of Books and Records399 Venture Drive, Suite D

(Street and Number)

Lewis Center , OH 43035800-282-7515-502

(City or Town, State and Zip Code)(Area Code) (Telephone Number)

Internet Website AddressNone

Statutory Statement ContactJohn Steven Bricker, 800-282-7515-502

(Name)(Area Code) (Telephone Number)

sbricker@picoholdings.com614-785-0692

(E-mail Address)(FAX Number)

OFFICERS

President and C.E.O. John Russell Hart

Controller and Treasurer John Thomas Perri #

Secretary James Frederick Mosier Esq. #

Vice President - Claims Martha Graves Althausen

OTHER

DIRECTORS OR TRUSTEES

Richard Dale Ruppert M.D. John Russell Hart Martha Graves Althausen

Maxim Charles Wickham Webb # Richard Harold Sharpe

State of _____ SS:
County of _____

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.

John Russell Hart James Frederick Mosier Esq. John Thomas Perri

President and C.E.O. Secretary Controller and Treasurer

Subscribed and sworn to before me this a. Is this an original filing? Yes [X] No []

day of b. If no,

1. State the amendment number.....

2. Date filed

3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

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)	4,366,621		4,366,621	5,232,848
2. Stocks (Schedule D):				
2.1 Preferred stocks	229,512		229,512	291,153
2.2 Common stocks	7,435,919		7,435,919	33,994,347
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$1,446,488 , Schedule E - Part 1), cash equivalents (\$0 , Schedule E - Part 2) and short-term investments (\$22,607,897 , Schedule DA)	24,054,385		24,054,385	4,335,889
6. Contract loans (including \$0 premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)			0	0
9. Receivable for securities			0	36,999
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	36,086,436	0	36,086,436	43,891,236
13. Title plants less \$0 charged off (for Title insurers only)			0	0
14. Investment income due and accrued	90,564		90,564	137,443
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0		0	0
16.2 Funds held by or deposited with reinsured companies	60,113		60,113	22,493
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	698,444		698,444	5,563,963
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	2,070	2,070	0	0
21. Furniture and equipment, including health care delivery assets (\$0)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	81,663	69,046	12,618	109,676
24. Health care (\$0) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	29,148	28,920	228	228
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	37,048,438	100,036	36,948,402	49,725,039
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	37,048,438	100,036	36,948,402	49,725,039
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
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. Prepaid expenses	28,920	28,920	0	0
2502. Other miscellaneous assets	228	0	228	228
2503.				
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)	29,148	28,920	228	228

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	918,725	1,058,284
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	333,257	876,170
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)	182,849	215,445
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		0
7.1 Current federal and foreign income taxes (including \$5,567,646 on realized capital gains (losses))	3,906,596	4,080,606
7.2 Net deferred tax liability		0
8. Borrowed money \$0 and interest thereon \$0		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)		0
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance (Schedule F, Part 7)		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	255,082	381,726
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$0 and interest thereon \$0		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	5,596,509	6,612,231
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	5,596,509	6,612,231
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	1,000,000	1,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	10,000,000	10,000,000
35. Unassigned funds (surplus)	20,351,893	27,128,778
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$0)		0
36.2 .....0 shares preferred (value included in Line 31 \$0)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	31,351,893	38,128,778
38. TOTALS (Page 2, Line 28, Col. 3)	36,948,402	44,741,009
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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)		0
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	(131,745)	4,199
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	(474,060)	27,650
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	655,177	653,190
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	49,372	685,039
7. Net income of protected cells		0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(49,372)	(685,039)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	400,781	1,144,955
10. Net realized capital gains or (losses) less capital gains tax of \$ 5,567,646 (Exhibit of Capital Gains (Losses))	4,338,091	3,922,223
11. Net investment gain (loss) (Lines 9 + 10)	4,738,872	5,067,178
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	(132,792)	0
15. Total other income (Lines 12 through 14)	(132,792)	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)	4,556,708	4,382,140
17. Dividends to policyholders		0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	4,556,708	4,382,140
19. Federal and foreign income taxes incurred	(1,674,932)	(1,022,200)
20. Net income (Line 18 minus Line 19)(to Line 22)	6,231,640	5,404,340
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	38,128,778	50,822,989
22. Net income (from Line 20)	6,231,640	5,404,340
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (5,054,334)	(3,866,694)	(1,506,472)
25. Change in net unrealized foreign exchange capital gain (loss)	(519,528)	226,998
26. Change in net deferred income tax	(6,681,353)	(1,573,495)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	14,976,753	(10,163,284)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes		0
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1 Paid in		0
32.2 Transferred from surplus (Stock Dividend)		0
32.3 Transferred to surplus		0
33. Surplus adjustments:		
33.1 Paid in	0	0
33.2 Transferred to capital (Stock Dividend)		0
33.3 Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders	(16,917,702)	(5,082,298)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
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)	(6,776,885)	(12,694,211)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	31,351,893	38,128,778
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 Income (Loss)	(132,792)	0
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)	(132,792)	0
3701.		
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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	0	0
2. Net investment income	463,083	991,333
3. Miscellaneous income	(170,412)	0
4. Total (Lines 1 through 3)	292,671	991,333
5. Benefit and loss related payments	7,814	342,167
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	756,625	674,279
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	4,066,725	2,239,832
10. Total (Lines 5 through 9)	4,831,164	3,256,278
11. Net cash from operations (Line 4 minus Line 10)	(4,538,493)	(2,264,945)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	813,649	0
12.2 Stocks	40,834,731	25,889,367
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	36,999	151,380
12.8 Total investment proceeds (Lines 12.1 to 12.7)	41,685,380	26,040,747
13. Cost of investments acquired (long-term only):		
13.1 Bonds	54,531	234,063
13.2 Stocks	454,345	17,891,889
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	508,877	18,125,952
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	41,176,503	7,914,795
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	16,917,702	5,082,298
16.6 Other cash provided (applied)	(1,885)	70,598
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(16,919,587)	(5,011,700)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	19,718,423	638,150
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	4,335,889	3,697,739
19.2 End of period (Line 18 plus Line 19.1)	24,054,312	4,335,889

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

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Underwriting and Investment Exhibit - Part 1 - Premiums Earned

N O N E

Underwriting and Investment Exhibit - Part 1A - Recapitulation of all Premiums

N O N E

Underwriting and Investment Exhibit - Part 1B - Premiums Written

N O N E

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 -3)	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire				0	0	0	0	0.0
2.	Allied lines				0	0	0	0	0.0
3.	Farmowners multiple peril				0	0	0	0	0.0
4.	Homeowners multiple peril				0	0	0	0	0.0
5.	Commercial multiple peril				0	0	0	0	0.0
6.	Mortgage guaranty				0	0	0	0	0.0
8.	Ocean marine				0	0	0	0	0.0
9.	Inland marine				0	0	0	0	0.0
10.	Financial guaranty				0	0	0	0	0.0
11.1	Medical professional liability - occurrence				0	858,612	971,751	(113,139)	0.0
11.2	Medical professional liability - claims-made				0	0	0	0	0.0
12.	Earthquake				0	0	0	0	0.0
13.	Group accident and health				0	0	0	0	0.0
14.	Credit accident and health (group and individual)				0	0	0	0	0.0
15.	Other accident and health				0	0	0	0	0.0
16.	Workers' compensation				0	0	0	0	0.0
17.1	Other liability - occurrence				0	0	0	0	0.0
17.2	Other liability - claims-made				0	0	0	0	0.0
17.3	Excess workers' compensation				0	0	0	0	0.0
18.1	Products liability - occurrence				0	0	0	0	0.0
18.2	Products liability - claims-made				0	0	0	0	0.0
19.1, 19.2	Private passenger auto liability				0	0	0	0	0.0
19.3, 19.4	Commercial auto liability				0	0	0	0	0.0
21.	Auto physical damage				0	0	0	0	0.0
22.	Aircraft (all perils)				0	0	0	0	0.0
23.	Fidelity				0	0	0	0	0.0
24.	Surety				0	0	0	0	0.0
26.	Burglary and theft				0	0	0	0	0.0
27.	Boiler and machinery				0	0	0	0	0.0
28.	Credit				0	0	0	0	0.0
29.	International				0	0	0	0	0.0
30.	Warranty				0	0	0	0	0.0
31.	Reinsurance - nonproportional assumed property	XXX			0	0	0	0	0.0
32.	Reinsurance - nonproportional assumed liability	XXX	7,814		7,814	60,113	86,533	(18,606)	0.0
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	0	7,814	0	7,814	918,725	1,058,284	(131,745)	0.0
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
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	

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

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 Excl. 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	300,000			300,000	558,612			858,612	333,257
11.2 Medical professional liability - claims-made				0				0	
12. Earthquake				0				0	
13. Group accident and health				0				(a) 0	
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				0				0	
19.3, 19.4 Commercial auto liability				0				0	
21. Auto physical damage				0				0	
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	59,113		59,113	XXX	1,000		60,113	
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	300,000	59,113	0	359,113	558,612	1,000	0	918,725	333,257
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
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	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	(486,176)			(486,176)
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded				0
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	(486,176)	0	0	(486,176)
2. Commission and brokerage:				
2.1 Direct excluding contingent				0
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	0	0	0
3. Allowances to managers and agents				0
4. Advertising				0
5. Boards, bureaus and associations				0
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries		341,060	59,763	400,822
8.2 Payroll taxes		15,841	2,776	18,617
9. Employee relations and welfare		58,114	10,183	68,297
10. Insurance		41,715		41,715
11. Directors' fees		0		0
12. Travel and travel items		648		648
13. Rent and rent items		37,283		37,283
14. Equipment		6,519		6,519
15. Cost or depreciation of EDP equipment and software		19,339		19,339
16. Printing and stationery		4,266		4,266
17. Postage, telephone and telegraph, exchange and express		9,734		9,734
18. Legal and auditing		112,279	31,894	144,173
19. Totals (Lines 3 to 18)	0	646,799	104,616	751,414
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		5		5
20.2 Insurance department licenses and fees		6,394		6,394
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	6,399	0	6,399
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	12,115	1,980	36,999	51,094
25. Total expenses incurred	(474,060)	655,177	141,615	(a) 322,732
26. Less unpaid expenses - current year	333,257	182,849	0	516,106
27. Add unpaid expenses - prior year	876,170	180,895	34,550	1,091,615
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	68,852	653,223	176,165	898,241
DETAILS OF WRITE-INS				
2401. Miscellaneous		1,895		1,895
2402. Data Processing Miscellaneous		85		85
2403. Bad Debt Expense			36,999	36,999
2498. Summary of remaining write-ins for Line 24 from overflow page	12,115	0	0	12,115
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	12,115	1,980	36,999	51,094

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....	.....
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....278,011	.....269,043
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....18,878	.....18,878
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....274,884	.....236,972
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) .....17,502	.....17,502
7	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	.....589,276	.....542,396
11.	Investment expenses .....	.....	(g) .....141,615
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) .....0
13.	Interest expense .....	.....	(h)
14.	Depreciation on real estate and other invested assets .....	.....	(i)
15.	Aggregate write-ins for deductions from investment income .....	.....	.....0
16.	Total deductions (Lines 11 through 15) .....	.....	.....141,615
17.	Net investment income (Line 10 minus Line 16) .....	.....	.....400,781
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 \$12,815 accrual of discount less \$28,237 amortization of premium and less \$0 paid for accrued interest on purchases.
- (b) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued dividends on purchases.
- (c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (d) Includes \$0 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
- (e) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (f) Includes \$0 accrual of discount less \$0 amortization of premium.
- (g) Includes \$0 investment expenses and \$0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$0 interest on surplus notes and \$0 interest on capital notes.
- (i) Includes \$0 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....0	.....0	.....0	.....0	.....0
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated) .....	.....(55,194)	.....0	.....(55,194)	.....0	.....(36,420)
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....(82,390)	.....(82,390)	.....16,854	.....236
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....16,166,933	.....(604,427)	.....15,562,506	.....(14,457,069)	.....(763,089)
2.21	Common stocks of affiliates .....	.....(5,519,186)	.....0	.....(5,519,186)	.....5,519,186	.....0
3.	Mortgage loans .....	.....	.....0	.....0	.....0	.....0
4.	Real estate .....	.....	.....0	.....0	.....	.....0
5.	Contract loans .....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....0	.....	.....
7.	Derivative instruments .....	.....	.....	.....0	.....	.....
8.	Other invested assets .....	.....	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses) .....	.....10,592,554	.....(686,817)	.....9,905,737	.....(8,921,029)	.....(799,274)
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)		0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks		0	0
2.2 Common stocks		14,948,980	14,948,980
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens		0	0
3.2 Other than first liens		0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company		0	0
4.2 Properties held for the production of income		0	0
4.3 Properties held for sale		0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)		0	0
6. Contract loans		0	0
7. Derivatives (Schedule DB)		0	0
8. Other invested assets (Schedule BA)		0	0
9. Receivables for securities		0	0
10. Securities lending reinvested collateral assets (Schedule DL)		0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	14,948,980	14,948,980
13. Title plants (for Title insurers only)		0	0
14. Investment income due and accrued		0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection		0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due		0	0
15.3 Accrued retrospective premiums		0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers		0	0
16.2 Funds held by or deposited with reinsured companies		0	0
16.3 Other amounts receivable under reinsurance contracts		0	0
17. Amounts receivable relating to uninsured plans		0	0
18.1 Current federal and foreign income tax recoverable and interest thereon		0	0
18.2 Net deferred tax asset		0	0
19. Guaranty funds receivable or on deposit		0	0
20. Electronic data processing equipment and software	2,070	0	(2,070)
21. Furniture and equipment, including health care delivery assets		21,409	21,409
22. Net adjustment in assets and liabilities due to foreign exchange rates		0	0
23. Receivables from parent, subsidiaries and affiliates	69,046	69,046	0
24. Health care and other amounts receivable		0	0
25. Aggregate write-ins for other than invested assets	28,920	37,354	8,434
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	100,036	15,076,788	14,976,753
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
28. Total (Lines 26 and 27)	100,036	15,076,788	14,976,753
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
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. Prepaid expenses	28,920	37,354	8,434
2502.			
2503.			
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)	28,920	37,354	8,434

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of Physicians Insurance Company of Ohio (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance commissioners and by the State of Ohio. The State of Ohio has adopted certain practices in that investments in securities may be non-admitted in accordance with ORC 3925. The Company had non-admitted \$14,948,980 of investment value offset by deferred taxes of \$(5,232,143) for a net reduction to surplus of \$9,716,837 as of December 31, 2010. There are no non-admitted investment assets for 2011.

The preparation of financial statements in conformity with Statutory Accounting Principles (SAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires the 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 estimates.

Basis of Valuation of Invested Assets

- a. Asset values are generally stated as follows: bonds are stated at amortized cost using the scientific method; preferred stocks at cost; common stocks at market, except that investments in stocks of unconsolidated subsidiaries and affiliates are carried on the equity basis; mortgages at cost. The increases and decreases in amortized values are the same as those shown in the columns for "Increase and Decrease by Adjustment in Book Value", except as otherwise indicated.
- b. The Company uses straight line depreciation for furniture & fixtures and data processing equipment.
- c. In October of 2006, the Company purchased 100% of the outstanding shares of PICO European Holdings, Inc., an Affiliate company. The Company owns these same shares at December 31, 2010.
- d. The Company has no derivative instruments.
- e. 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 based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liability may be in excess of or less than the amount provided.

2. Accounting Changes and Corrections of Errors

Accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures* manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively to all prior periods.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

- A. Mortgage Loans - Not applicable.
- B. Debt Restructuring - Not applicable.
- C. Reverse Mortgages - Not applicable.
- D. Loan Backed Securities - Not applicable.
- E. Repurchase Agreements - Not applicable.
- F. Real Estate - Not applicable.
- G. Investments in Low Income Housing Credits - Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

7. Investment Income

No investment income was nonadmitted.

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

a. The components of the net deferred tax asset at December 31, 2011 and December 31, 2010 are as follows:

	12/31/2011	12/31/2010
(1) Total gross deferred tax assets (admitted and nonadmitted)	\$ 1,925,315	\$ 8,544,962
(2) Total gross deferred tax liabilities	<u>\$ (1,226,871)</u>	<u>\$ (6,499,244)</u>
(3) Net deferred tax asset	\$ 698,444	\$ 2,045,718
(4) Total deferred tax assets nonadmitted in accordance with SSAP No. 10 Income Taxes	\$ 0	\$ 0
(5) Net admitted deferred tax asset	\$ 698,444	\$ 2,045,718
(6) Increase (decrease) in deferred tax assets nonadmitted	\$ 0	\$ 0

b. The Company has recognized all deferred tax liabilities.

c. Current tax and deferred:

Provision for income taxes incurred for the periods ended	12/31/2011	12/31/2010
Current US income tax expense	\$(1,661,050)	\$ (961,826)
Realized gains tax	\$ 5,567,646	\$ 2,111,966
Current foreign income tax expense	\$ 1,592	\$ 6,858
True up of prior years	<u>\$ (15,474)</u>	<u>\$ (67,232)</u>
Total current income tax expense	\$ 3,892,714	\$ 1,089,766

The tax effect of temporary differences that give rise to significant portions of deferred tax assets/(liabilities) are as follows:

Deferred Tax Assets:	2011	2010	Change
Unpaid loss and LAE	\$ 15,933	\$ 24,703	\$ (8,770)
Impairment of securities	\$ 1,727,129	\$ 3,085,860	\$ (1,358,731)
Accrued expenses	\$ 9,938	\$ 19,998	\$ (10,050)
Non-admitted assets	\$ 10,847	\$ 5,252,711	\$ (5,241,863)
Other items	<u>\$ 161,468</u>	<u>\$ 161,690</u>	<u>\$ (222)</u>
Total deferred tax assets	\$ 1,925,315	\$ 8,544,962	\$ (6,619,647)
Non-admitted deferred tax assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Admitted deferred tax assets	\$ 1,925,315	\$ 8,544,962	\$ (6,619,647)
Deferred Tax Liabilities:			
Net unrealized gains on securities	\$ (1,098,408)	\$ (6,432,488)	\$ 5,334,080
Other items	<u>\$ (128,463)</u>	<u>\$ (66,756)</u>	<u>\$ (61,707)</u>
Total deferred tax liabilities	\$ (1,226,871)	\$ (6,499,244)	\$ 5,272,373
Total Net admitted deferred tax assets	\$ 698,444	\$ 2,045,718	\$(1,347,274)

d. Reconciliation of federal income tax rate to actual effective rate:

	Amount	Effective Rate
(1) Provision computed at statutory rate	\$ 3,543,524	35.00%
(2) Dividends received deduction	\$ (19,839)	-0.02%
(3) Meals and entertainment	\$ 18	0.00%
(4) Total statutory income taxes	\$ 3,523,703	34.98%

e. The Company has no net capital loss carryforwards.

The Company has prior taxes incurred available for recoupment of:	2010	\$2,230,740
	2009	\$3,002,521
	2008	\$2,207,202

f. (1) The Company's federal income tax return is consolidated with the following entities:

PICO Holdings, Inc. (ultimate parent); PICO Investment Corporation (parent); Physicians Investment Co.; Citation Insurance Company; CIC Adjusters, Inc.; Nevada Land and Resource Holdings, Inc.; Vidler Water Company, Inc.; Toquop Energy, Inc.; Raven Investment Holdings, Inc.; Bedrock Land Development, Inc.; Torrey Pines Holdings B.V.

(2) A formal written agreement exists regarding the allocation of federal income taxes. The Company's liability or recoverable is based upon the actual contribution to the consolidated taxable gain or loss, subject to the current tax rate in effect and any timing differences between tax and book that apply. Intercompany tax balances are settled annually.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- a. The Company is a wholly owned subsidiary of PICO Investment Corporation, which is a wholly owned subsidiary of PICO Holdings, Inc.
- b. With approval of the Ohio Department of Insurance all shares of the Company were transferred from PICO Holdings, Inc., the ultimate parent company, to PICO Investment Corporation, an Ohio holding company that is a wholly owned subsidiary of PICO Holdings, Inc.
- c. With approval of the Ohio Department of Insurance the Company purchased all of the outstanding shares of PICO European Holdings, Inc., an affiliate, in December of 2006 from PICO Holdings, Inc. for \$5,519,186. Subsequently the outstanding shares of PICO European Holdings, Inc. were sent as a dividend to PICO Investment Corporation.
- d. At December 31, 2011 and December 31, 2010, the Company reported \$215,269 and \$332,743 respectively as unsecured amounts due the ultimate parent company for operating expenses.
- e. There are no guarantees or undertakings for the benefit of an affiliate which will result in a material contingent exposure of the Company's or any affiliated insurer's assets or liabilities.
- f. No management or service contracts or cost sharing arrangements exist, other than cost allocation arrangements based on generally accepted accounting principles, involving the Company or any affiliated insurer.
- g. Common ownership or control - Not applicable.
- h. Deduction from value of upstream parent owned - Not applicable.
- i. The Company owns 100% of the shares of its affiliate, PICO European Holdings, Inc. that is valued at \$0.
- j. Impaired SCA Entities - Not applicable.
- k. Investment in Foreign Insurance Subsidiary - Not applicable.
- l. Downstream Noninsurance Entity - Not applicable.

11. Debt

The Company has no outstanding debt.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- a. Employee Retirement Plan:
The Company's ultimate parent, PICO Holdings, Inc., maintains a defined contribution plan covering substantially all of its employees. The parent company's policy is to fund costs as they are accrued. Such costs are based upon a percentage of employee compensation and employer matching of certain employee contributions. Total expenses for 2011 and 2010 approximated \$25,861 and \$43,995, respectively. The defined contribution plan is a qualified 401(k) plan. All costs associated with the plan are allocated to the Company in accordance with generally accepted accounting principles. At December 31, 2011, the end of the plan year, the fair value of the plan assets was \$11,118,339. Plan assets are held and administered by Columbus Retirement Administrators.
- b. Deferred Compensation Plan:
PICO Holdings, Inc. maintains a stock appreciation rights plan.
- c. Postretirement Benefit Plans:
The Company essentially has no liability for postretirement benefits other than those described above under the parent's employee retirement plan.

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

- (1) The Company has 1,000,000 shares of common stock authorized and 1,000,000 shares are issued and outstanding with a par value of \$1 per share.
- (2) There are 1,000,000 shares of preferred stock authorized with a par value of \$1 per share, none of which are issued.
- (3) The maximum amount of dividends which can be paid by state of Ohio insurance companies to shareholders without prior approval of the insurance commissioner is subject to restrictions relating to prior year statutory surplus and current year statutory income. Reported statutory surplus at December 31, 2011 was \$31,351,893. Net income for 2011 amounted to \$6,231,640.
- (4) On December 6, 2010 an ordinary dividend of \$5,082,298 was paid to PICO Investment Corporation. Subsequently on June 10, 2011 an extraordinary dividend, with approval from the Ohio Department of Insurance, of \$16,917,702 was paid to PICO Investment Corporation. The extraordinary dividend consisted of \$11,429,702 in cash, 5,600 shares of LAACO Ltd – Limited Unit Partnership valued at \$5,488,000 and 1 share of PICO European Holdings, Inc. valued at \$0.
- (5) The portion of the reporting entity's profit that may be paid as ordinary dividends is \$6,231,640, subsequent to June 10, 2012.
- (6) There are no restrictions placed on unassigned surplus funds.
- (7) Not applicable.
- (8) The Company holds no stock for special purposes.
- (9) Changes in Special Surplus Funds - Not applicable.
- (10) Unassigned funds have been affected by the following: Increased by net unrealized gains of unaffiliated common stocks of \$2,658,035, and decreased by non-admitted assets of \$100,036. These amounts are gross of taxes.
- (11) Surplus Notes - Not applicable.
- (12) Impact of Quasi-Reorganization - Not applicable.
- (13) Effective Date of Quasi-Reorganization - Not applicable.

14. Contingencies

- a. The Company is not aware of any items, outside of the normal course of business, for which the Company would be contingently liable.
- b. The Company has committed no reserves for any assessments.
- c. The Company has no gain contingencies to disclose.
- d. There are no contingent liabilities that are considered material arising from any pending legal proceedings.
- e. The Company is not aware of any loss or impairment of any assets not previously stated.

15. Leases

The Company has a lease for 1,200 square feet of office space at 399 Venture Dr, Suite D, Lewis Center, Ohio at \$7.95 per square foot. The lease expires August 31, 2012.
The Company has a lease for a copier machine for \$585 per month. The lease expires May, 2013.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

Not applicable.

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

Not applicable.

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

Not applicable.

20. Fair Value Measurements

Assets Measured at Fair Market Value on a Recurring Basis

Description	Level 1	Level 2	Level 3	Total
Preferred Stock	\$ 229,512	\$ 0	\$ 0	\$ 229,512
Common Stock	\$ 2,636,858	\$ 4,799,061	\$ 0	\$ 7,435,919
Total Assets at Fair Value	\$ 2,636,858	\$ 4,799,061	\$ 0	\$ 7,665,431

21. Other Items

- a. Extraordinary Items - None.
- b. Troubled Debt Restructuring - None.
- c. Assets in the amount of \$1,000,000 par value at December 31, 2011 and December 31, 2010 were on deposit with government authorities or trustees as required by law.
- d. Accounts receivable for Uninsured Plans - Not applicable.
- e. Business Interruption Insurance Recoveries - Not applicable.
- f. State Transferable Tax Credits - Not applicable.
- g. Subprime Mortgage Related Risk Exposure - None.

22. Events Subsequent

The Company is not aware of any subsequent events that would materially affect the financial statements.

23. Reinsurance

- a. The Company has no unsecured reinsurance recoverable in excess of 3% of statutory surplus.
- b. The Company has not been notified of any recoverable in dispute.
- c. The Company has no reinsurance assumed or ceded.
- d. The Company has not written off any uncollectible reinsurance during the current year.
- e. The Company has not commuted any reinsurance during 2010 or 2011.
- f. The Company has no retroactive reinsurance agreements.
- g. The Company has no reinsurance accounted for as a deposit.
- h. The Company has not entered into an agreement to receive P&C Run-off Accounting Treatment.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years were increased \$31,000 in 2010 and decreased \$606,000 net of reinsurance in 2011, as a result of reestimation of unpaid loss and loss adjustment expense of Medical Professional Liability lines of business. This decrease is the result of ongoing analysis of recent loss development trends which show a decrease in frequency and severity. No changes in methods have been made for 2011. Original estimates are increased or decreased as additional information becomes known.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

The Company has no contingent liability with regard to structured settlements. The Company only utilizes structured settlements which provide for a complete release from the claimant, normally accompanied by assignment of the obligation for the periodic payments to a third party.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

Not applicable.

31. High Deductibles

Not applicable.

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable.

33. Asbestos/Environmental Reserves

Not applicable.

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

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 ☐

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 ☐

1.3

State Regulating?

Ohio

2.1

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

Yes ☐ No ☒

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.

12/31/2008

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).

12/01/2009

3.4

By what department or departments?
Oho Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒

3.6

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

Yes ☒ No ☐ N/A ☐

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?
4.12 renewals?

Yes ☐ No ☒
Yes ☐ No ☒

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?
4.22 renewals?

Yes ☐ No ☒
Yes ☐ No ☒

5.1

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

Yes ☐ No ☒

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	2	3
Name of Entity	NAIC Company Code	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 ☒

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 ☒

7.2

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

%

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

GENERAL INTERROGATORIES

- 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?
Deloitte & Touche, LLP, 155 East Broad 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 response 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?
Merlinos & Associates, Inc., 3274-B Medlock Bridge Road, Norcross, GA 30092, Mathew P. Merlino, FCAS, MAAA as consulting actuary.
- 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:
.....
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 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).
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

GENERAL INTERROGATORIES

- 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 ☒
- 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	3	4
	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

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 ☒ 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 ☒ 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 with the official duties of such person? Yes ☒ No ☐

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes ☐ No ☒
- 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 ☒
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$0

21.22 Borrowed from others\$0

21.23 Leased from others\$0

21.24 Other\$0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes ☐ No ☒
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$0

22.22 Amount paid as expenses\$0

22.23 Other amounts paid\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes ☒ No ☐
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$3,837

INVESTMENT

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes ☐ No ☒
- 24.2 If no, give full and complete information relating thereto
Held in Trust accounts by Union Bank of Califorbia and Forsyth Barr, Ltd of Auckland, New Zealand.
- 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)
Not applicable.
- 24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes ☐ No ☐ N/A ☒
- 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.\$
- 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 ☒
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ☐ No ☐ N/A ☒
- 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 ☒

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

GENERAL INTERROGATORIES

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 other 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 [] No [X]

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
Union Bank of California	350 california St., 6th Floor, San Francisco, CA 94104

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)
Forsyth Barr, LTD.	Auckland, New Zealand	New Zealand stocks held in broker trust account.

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 brokers/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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

GENERAL INTERROGATORIES

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?
- Yes [] No [X]
- 29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 - Total		0

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

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

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	26,974,518	27,079,380	104,862
30.2 Preferred stocks	229,512	229,512	0
30.3 Totals	27,204,030	27,308,892	104,862

- 30.4 Describe the sources or methods utilized in determining the fair values:
Bonds are estimated at sale price and compared to Bloomberg. Stocks are listed at last sales price or last bid price for illiquid stocks.
- 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 [] No [X]
- 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 [] 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:
The Company primarily uses Bloomberg as its pricing source.
- 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:
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$0

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

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

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.

\$ 0

1.3

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

\$ 0

1.31

Reason for excluding

1.4

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

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

0

All years prior to most current three years

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

0

0

2.2

Premium Denominator

0

2.3

Premium Ratio (2.1/2.2)

0.000

0.000

2.4

Reserve Numerator

0

0

2.5

Reserve Denominator

1,251,982

1,934,454

2.6

Reserve Ratio (2.4/2.5)

0.000

0.000

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

\$ 0

3.22

Non-participating policies

\$ 0

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?

% 0.0

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$ 0

5.

For Reciprocal Exchanges Only:

5.1

Does the Exchange appoint local agents?

Yes [] No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [] No [] N/A []

5.22

As a direct expense of the exchange.....

Yes [] No [] N/A []

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 []

5.5

If yes, give full information

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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?
The Company does not write workers' compensation insurance.

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.
The Company relies on estimates established by its independent consulting actuary that are reviewed by management.

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?
The Company does not write property insurance.

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 [☒]

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.
None.

7.1

Has this 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 ratio cap, an aggregate limit or any similar provisions)?.....

Yes [☐] No [☒]

7.2

If yes, indicate the number of reinsurance contracts containing such provisions:

0

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 [☐]

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 [☒]

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 noncancellable 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 [☒]

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 common 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 affiliates 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 [☒]

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 [☒]

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 [☐] No [☒]
Yes [☐] No [☒]
Yes [☐] No [☒]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances 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 [☐]

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other 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 asset 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 which 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

0.0 %

12.42 To

0.0 %

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 the current year:

12.61 Letters of credit

\$

0

12.62 Collateral and other funds

\$

0

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$

2,000,000

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

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:

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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 - P art 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 accounts? 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 funds administered as of the reporting date. \$

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

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
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
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)	0	0	0	0	0
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	0	0	0	0	0
Net Premiums Written (Page 8, Part 1B, Col. 6)					
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)	0	0	0	0	0
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	0	0	0	0	0
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(49,372)	(685,039)	753,922	1,894,661	1,787,338
14. Net investment gain or (loss) (Line 11)	4,738,872	5,067,179	(2,816,604)	(6,968,465)	4,030,514
15. Total other income (Line 15)	(132,792)	0	35	(129,209)	(3,137)
16. Dividends to policyholders (Line 17)		0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	(1,674,932)	(1,022,200)	2,238,882	1,100,181	2,019,384
18. Net income (Line 20)	6,231,640	5,404,340	(4,301,529)	(6,303,194)	3,795,331
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	36,948,402	49,725,040	58,798,683	55,581,534	104,743,289
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 15.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	5,596,509	6,612,231	7,975,694	11,832,170	24,486,199
22. Losses (Page 3, Line 1)	918,725	1,058,284	1,396,252	1,962,599	4,023,779
23. Loss adjustment expenses (Page 3, Line 3)	333,257	876,170	941,317	1,871,621	2,496,580
24. Unearned premiums (Page 3, Line 9)		0	0	0	0
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)	31,351,893	43,112,809	50,822,989	43,749,365	80,257,090
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(4,538,493)	(2,264,945)	264,620	(6,924,899)	981,855
Risk-Based Capital Analysis					
28. Total adjusted capital	31,351,893	43,112,809	50,822,989	43,749,365	80,257,090
29. Authorized control level risk-based capital	1,118,311	5,665,029	6,535,020	6,230,510	11,869,686
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	12.1	11.9	8.7	8.1	7.9
31. Stocks (Lines 2.1 & 2.2)	21.2	78.1	84.3	87.6	91.3
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	66.7	9.9	6.6	4.4	0.8
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	XXX	XXX	XXX
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.1	0.3	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	0	0	0	0	15,865,418
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate		0	0	0	0
47. All other affiliated		0	0	0	0
48. Total of above Lines 42 to 47	0	0	0	0	15,865,418
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	0.0	0.0	0.0	19.8

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)	(3,866,694)	(1,506,244)	7,668,127	(30,358,662)	6,575,337
51. Dividends to stockholders (Line 35)	(16,917,702)	(5,082,298)	0	0	0
52. Change in surplus as regards policyholders for the year (Line 38)	(6,776,885)	(7,710,180)	7,073,624	(36,507,725)	10,856,931
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
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)	0	337,500	0	130,000	460,000
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)	7,814	4,667	895	7,712	1,502
58. Total (Line 35)	7,814	342,167	895	137,712	461,502
Net Losses Paid (Page 9, Part 2, Col. 4)					
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)	0	337,500	0	130,000	310,000
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)	7,814	4,667	895	7,712	1,502
64. Total (Line 35)	7,814	342,167	895	137,712	311,502
Operating Percentages (Page 4) (Line 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)	0.0	0.0	0.0	0.0	0.0
67. Loss expenses incurred (Line 3)	0.0	0.0	0.0	0.0	0.0
68. Other underwriting expenses incurred (Line 4)	0.0	0.0	0.0	0.0	0.0
69. Net underwriting gain (loss) (Line 8)	0.0	0.0	0.0	0.0	0.0
Other Percentages					
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)	0.0	0.0	0.0	0.0	0.0
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	0.0	0.0	0.0	0.0	0.0
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)	0.0	0.0	0.0	0.0	0.0
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(164)	28	(671)	(2,371)	(2,329)
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 100.0).....	(0.4)	0.1	(1.5)	(3.0)	(3.4)
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(137)	(644)	(3,042)	(4,699)	(3,142)
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)	(0.3)	(1.5)	(3.8)	(6.8)	(5.5)

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:

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
	1 Direct and Assumed	2 Ceded	3 Net (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)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	8	0	57	0	12	0	0	77	XXX
2. 2002.....	0	(382)	382	0	0	0	0	0	0	0	0	XXX
3. 2003.....	0	0	0	0	0	0	0	0	0	0	0	XXX
4. 2004.....	0	0	0	0	0	0	0	0	0	0	0	XXX
5. 2005.....	0	0	0	0	0	0	0	0	0	0	0	XXX
6. 2006.....	0	0	0	0	0	0	0	0	0	0	0	XXX
7. 2007.....	0	0	0	0	0	0	0	0	0	0	0	XXX
8. 2008.....	0	0	0	0	0	0	0	0	0	0	0	XXX
9. 2009.....	0	0	0	0	0	0	0	0	0	0	0	XXX
10. 2010.....	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2011.....	0	0	0	0	0	0	0	0	0	0	0	XXX
12. Totals	XXX	XXX	XXX	8	0	57	0	12	0	0	77	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior.....	359	0	560	0	44	0	150	0	139	0	0	1,252	XXX
2. 2002.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3. 2003.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
4. 2004.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
5. 2005.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. 2006.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
7. 2007.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8. 2008.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9. 2009.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
10. 2010.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2011.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
12. Totals	359	0	560	0	44	0	150	0	139	0	0	1,252	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	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	919	333
2. 2002.....	0	0	0	0.0	0.0	0.0	0	0		0	0
3. 2003.....	0	0	0	0.0	0.0	0.0	0	0		0	0
4. 2004.....	0	0	0	0.0	0.0	0.0	0	0		0	0
5. 2005.....	0	0	0	0.0	0.0	0.0	0	0		0	0
6. 2006.....	0	0	0	0.0	0.0	0.0	0	0		0	0
7. 2007.....	0	0	0	0.0	0.0	0.0	0	0		0	0
8. 2008.....	0	0	0	0.0	0.0	0.0	0	0		0	0
9. 2009.....	0	0	0	0.0	0.0	0.0	0	0		0	0
10. 2010.....	0	0	0	0.0	0.0	0.0	0	0		0	0
11. 2011.....	0	0	0	0.0	0.0	0.0	0	0		0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	919	333

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.....	27,725	20,734	20,331	17,175	16,362	14,033	11,662	10,991	11,018	10,854	(164)	(137)
2. 2002.....	0	0	0	0	0	0	0	0	0	0	0	0
3. 2003.....	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2004.....	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2005.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2006.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2007.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											(164)	(137)

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	3,618	6,038	7,218	8,696	9,061	9,230	9,275	9,677	9,742	XXX	XXX
2. 2002.....	0	0	0	0	0	0	0	0	0	0	XXX	XXX
3. 2003.....	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX
4. 2004.....	XXX	XXX	0	0	0	0	0	0	0	0	XXX	XXX
5. 2005.....	XXX	XXX	XXX	0	0	0	0	0	0	0	XXX	XXX
6. 2006.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0	XXX	XXX
7. 2007.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	XXX	XXX
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX	XXX
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	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.....	20,961	11,353	8,819	7,024	5,959	4,061	1,889	1,124	979	710
2. 2002.....	0	0	0	0	0	0	0	0	0	0
3. 2003.....	XXX	0	0	0	0	0	0	0	0	0
4. 2004.....	XXX	XXX	0	0	0	0	0	0	0	0
5. 2005.....	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2006.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2007.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

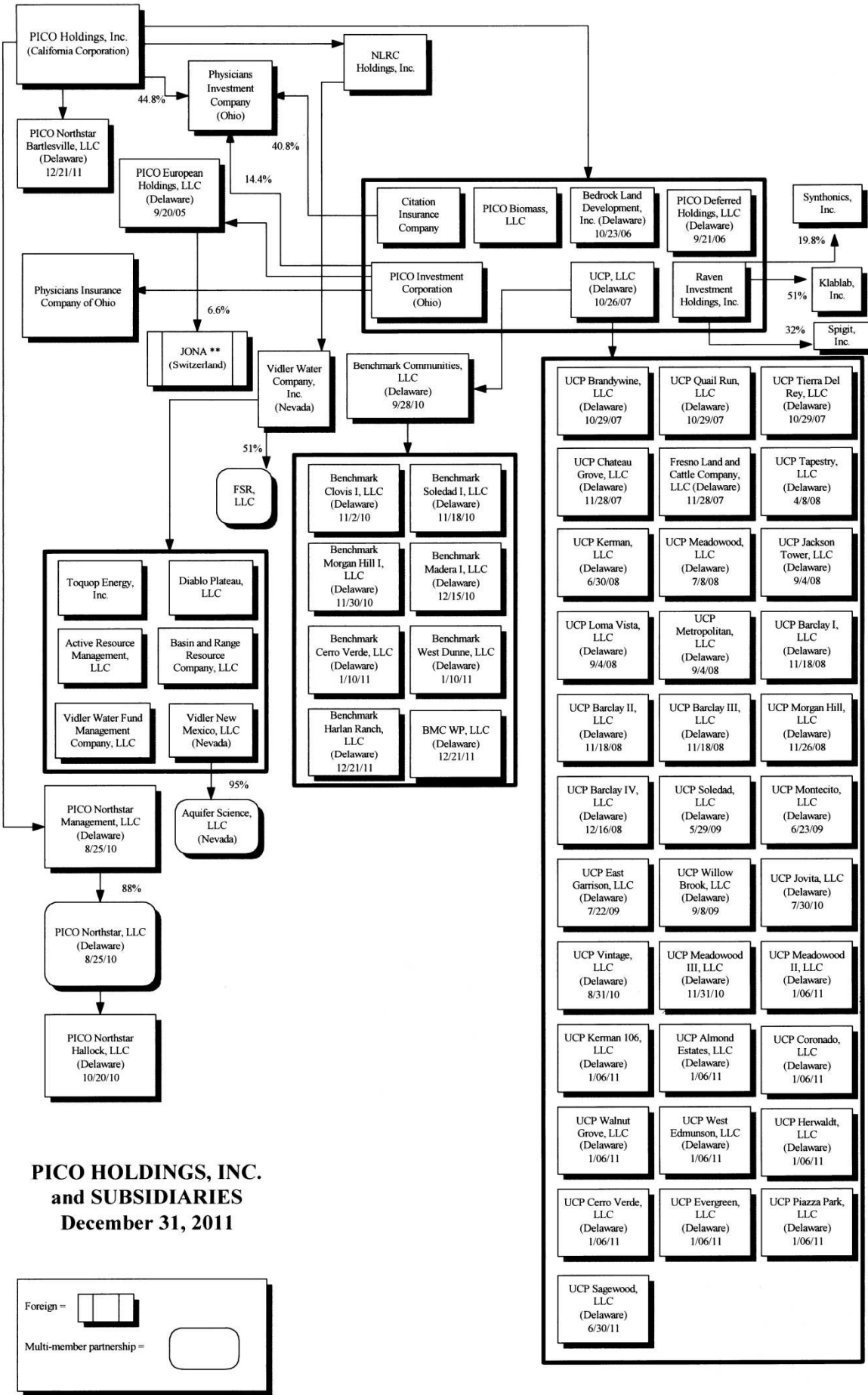
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

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 (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	N	0	0	0	0	0		
2. Alaska	AK	N	0	0	0	0	0		
3. Arizona	AZ	N	0	0	0	0	0		
4. Arkansas	AR	N	0	0	0	0	0		
5. California	CA	N	0	0	0	0	0		
6. Colorado	CO	N	0	0	0	0	0		
7. Connecticut	CT	N	0	0	0	0	0		
8. Delaware	DE	N	0	0	0	0	0		
9. District of Columbia	DC	N	0	0	0	0	0		
10. Florida	FL	N	0	0	0	0	0		
11. Georgia	GA	N	0	0	0	0	0		
12. Hawaii	HI	N	0	0	0	0	0		
13. Idaho	ID	N	0	0	0	0	0		
14. Illinois	IL	N	0	0	0	0	0		
15. Indiana	IN	N	0	0	0	0	0		
16. Iowa	IA	N	0	0	0	0	0		
17. Kansas	KS	N	0	0	0	0	0		
18. Kentucky	KY	L							
19. Louisiana	LA	N	0	0	0	0	0		
20. Maine	ME	N	0	0	0	0	0		
21. Maryland	MD	N	0	0	0	0	0		
22. Massachusetts	MA	N	0	0	0	0	0		
23. Michigan	MI	N	0	0	0	0	0		
24. Minnesota	MN	N	0	0	0	0	0		
25. Mississippi	MS	N	0	0	0	0	0		
26. Missouri	MO	N	0	0	0	0	0		
27. Montana	MT	N	0	0	0	0	0		
28. Nebraska	NE	N	0	0	0	0	0		
29. Nevada	NV	N	0	0	0	0	0		
30. New Hampshire	NH	N	0	0	0	0	0		
31. New Jersey	NJ	N	0	0	0	0	0		
32. New Mexico	NM	N	0	0	0	0	0		
33. New York	NY	N	0	0	0	0	0		
34. North Carolina	NC	N	0	0	0	0	0		
35. North Dakota	ND	N	0	0	0	0	0		
36. Ohio	OH	L	0	0	0	(113,139)	858,612		
37. Oklahoma	OK	N	0	0	0	0	0		
38. Oregon	OR	N	0	0	0	0	0		
39. Pennsylvania	PA	N	0	0	0	0	0		
40. Rhode Island	RI	N	0	0	0	0	0		
41. South Carolina	SC	N	0	0	0	0	0		
42. South Dakota	SD	N	0	0	0	0	0		
43. Tennessee	TN	N	0	0	0	0	0		
44. Texas	TX	N	0	0	0	0	0		
45. Utah	UT	N	0	0	0	0	0		
46. Vermont	VT	N	0	0	0	0	0		
47. Virginia	VA	N	0	0	0	0	0		
48. Washington	WA	N	0	0	0	0	0		
49. West Virginia	WV	N	0	0	0	0	0		
50. Wisconsin	WI	N	0	0	0	0	0		
51. Wyoming	WY	N	0	0	0	0	0		
52. American Samoa	AS	N	0	0	0	0	0		
53. Guam	GU	N	0	0	0	0	0		
54. Puerto Rico	PR	N	0	0	0	0	0		
55. U.S. Virgin Islands	VI	N	0	0	0	0	0		
56. Northern Mariana Islands	MP	N	0	0	0	0	0		
57. Canada	CN	N	0	0	0	0	0		
58. Aggregate other alien ..	OT	XXX	0	0	0	0	0	0	0
59. Totals	(a) 2	0	0	0	0	(113,139)	858,612	0	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 through 5803 plus 5898)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

Explanation of basis of allocation of premiums by states, etc.

None
(a) Insert the number of L responses except for Canada and Other Alien.



** Foreign investments approaching or exceeding 10% ownership included herein for tax reporting purposes only.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE PHYSICIANS INSURANCE COMPANY OF OHIO

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 24

		1	2	3	4
		Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
2404.	Consulting Fees	12,115			12,115
2497.	Summary of remaining write-ins for Line 24 from overflow page	12,115	0	0	12,115

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