



ANNUAL STATEMENT
For the Year Ended December 31, 2011
OF THE CONDITION AND AFFAIRS OF THE
BCS Insurance Company

NAIC Group Code	00023	(Current Period)	00023	(Prior Period)	NAIC Company Code	38245	Employer's ID Number	36-6033921
Organized under the Laws of	Ohio				State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States							
Incorporated/Organized	12/05/1950				Commenced Business	11/30/1952		
Statutory Home Office	6740 North High Street				Worthington, OH 43085			
	(Street and Number)				(City or Town, State and Zip Code)			
Main Administrative Office	2 Mid America Plaza, Suite 200				Oakbrook Terrace, IL 60181	630-472-7700		
	(Street and Number)				(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	2 Mid America Plaza, Suite 200				Oakbrook Terrace, IL 60181			
	(Street and Number or P.O. Box)				(City or Town, State and Zip Code)			
Primary Location of Books and Records	2 Mid America Plaza, Suite 200				Oakbrook Terrace, IL 60181	630-472-7700		
	(Street and Number)				(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Internet Web Site Address	www.bcsigroup.com							
Statutory Statement Contact	Elias Georgopoulos				630-472-7749			
	(Name)				(Area Code) (Telephone Number) (Extension)			
	lgeorgo@bcsigroup.com				630-472-7837			
	(E-Mail Address)				(Fax Number)			

OFFICERS

Name	Title	Name	Title
Howard Francis Beacham III	President & CEO	Henry Alan Carpenter	Secretary, General Counsel & SVP
Susan Ann Pickar	Treasurer & Senior Vice President	Steven Scott Martin	Chairman of the Board

OTHER OFFICERS

Matthew Thomas Brannigan	Senior Vice President	David John Jacobs	Senior Vice President
Dale Edward Palka	Senior Vice President		

DIRECTORS OR TRUSTEES

Howard Francis Beacham III	Matthew Thomas Brannigan	Henry Alan Carpenter	David John Jacobs
Susan Ann Pickar	Steven Scott Martin		

State ofIllinois.....
County ofDu Page.....

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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.

Howard Francis Beacham III President & CEO	Henry Alan Carpenter Secretary, General Counsel & SVP	Susan Ann Pickar Treasurer & Senior Vice President
Subscribed and sworn to before me this 26th day of January, 2012	a. Is this an original filing? Yes [X] No [] b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached	
Lisa Fath, Notary Public May 05, 2014		

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE BCS Insurance Company

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	175,120,652		175,120,652	165,680,188
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	3,970,665		3,970,665	3,855,421
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 (\$1,875,318 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$3,825,103 , Schedule DA).....	5,700,423		5,700,423	4,945,082
6. Contract loans (including \$premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		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	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	184,791,740	0	184,791,740	174,480,691
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	1,456,673		1,456,673	1,379,750
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	27,626,984	1,973,212	25,653,772	24,593,140
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$581,697 earned but unbilled premiums).....	581,697		581,697	2,018,200
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	9,456,593		9,456,593	6,905,284
16.2 Funds held by or deposited with reinsured companies	400,000		400,000	400,000
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.....	3,288,700	1,498,109	1,790,591	1,870,519
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets	6,435,546	10,199	6,425,347	6,256,888
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	234,037,933	3,481,520	230,556,413	217,904,472
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	234,037,933	3,481,520	230,556,413	217,904,472
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Unapplied Claim Payments.....	5,200,988		5,200,988	6,031,297
2502. State Income Tax & Premium Tax Recoverable.....	39,337		39,337	27,547
2503. Miscellaneous Accounts Receivable.....	20,392	10,199	10,193	198,044
2598. Summary of remaining write-ins for Line 25 from overflow page	1,174,829	0	1,174,829	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	6,435,546	10,199	6,425,347	6,256,888

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	27,766,871	27,261,827
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	4,890,751	2,904,327
4. Commissions payable, contingent commissions and other similar charges	84,844	3,255
5. Other expenses (excluding taxes, licenses and fees)	329,404	284,494
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,259,790	1,615,407
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses)).....	2,615,231	1,987,274
7.2 Net deferred tax liability.....		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$7,691,457 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	15,363,027	12,077,294
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)	17,791,952	15,474,459
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	68,750	68,750
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated.....	3,020,524	3,074,351
16. Provision for reinsurance (Schedule F, Part 7)	1,401,800	2,566,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	4,711,967	5,665,455
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 \$and interest thereon \$		0
25. Aggregate write-ins for liabilities	3,635,089	2,876,276
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	83,940,000	75,859,169
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	83,940,000	75,859,169
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	3,000,000	3,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	36,484,581	36,484,581
35. Unassigned funds (surplus)	107,131,832	102,560,722
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	146,616,413	142,045,303
38. Totals (Page 2, Line 28, Col. 3)	230,556,413	217,904,472
DETAILS OF WRITE-INS		
2501. Retroactive Reinsurance Reserve Ceded.....	(111,919)	(176,920)
2502. Allowance for Doubtful Accounts.....	2,752,000	2,563,000
2503. Retroactive Reinsurance Reserve Assumed.....	426,261	469,441
2598. Summary of remaining write-ins for Line 25 from overflow page	568,747	20,755
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,635,089	2,876,276
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	110,115,716	105,509,364
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	63,829,375	65,572,101
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	5,117,537	3,862,433
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	37,408,103	35,423,506
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	106,355,015	104,858,040
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	3,760,701	651,324
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	7,272,537	7,566,688
10. Net realized capital gains (losses) less capital gains tax of \$34,296 (Exhibit of Capital Gains (Losses)).....	866,662	144,313
11. Net investment gain (loss) (Lines 9 + 10)	8,139,199	7,711,001
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	(786,763)	(389,884)
15. Total other income (Lines 12 through 14)	(786,763)	(389,884)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	11,113,137	7,972,441
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)	11,113,137	7,972,441
19. Federal and foreign income taxes incurred	3,774,121	2,822,572
20. Net income (Line 18 minus Line 19) (to Line 22)	7,339,016	5,149,869
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	142,045,303	140,422,994
22. Net income (from Line 20)	7,339,016	5,149,869
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$(91,648)	(177,905)	298,932
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax	(25,310)	1,246,305
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(228,891)	(1,031,597)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	1,164,200	(541,200)
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
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	(3,500,000)	(3,500,000)
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)	4,571,110	1,622,309
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	146,616,413	142,045,303
DETAILS OF WRITE-INS		
0501.		0
0502.		0
0503.		0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Retroactive Reinsurance Ceded.....	(65,001)	(128,776)
1402. Allowance for Doubtful Accounts.....	(189,000)	(287,000)
1403. Retroactive Reinsurance Assumed.....	(33,039)	(29,338)
1498. Summary of remaining write-ins for Line 14 from overflow page	(499,723)	55,230
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(786,763)	(389,884)
3701.		0
3702.		0
3703.		0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	115,951,809	104,982,599
2. Net investment income	7,833,239	8,040,165
3. Miscellaneous income	(786,763)	(389,884)
4. Total (Lines 1 through 3)	122,998,285	112,632,880
5. Benefit and loss related payments	65,875,640	66,847,882
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	39,746,369	38,505,363
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	3,180,460	1,970,000
10. Total (Lines 5 through 9)	108,802,469	107,323,245
11. Net cash from operations (Line 4 minus Line 10)	14,195,816	5,309,635
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	43,444,756	48,309,135
12.2 Stocks	0	0
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	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	43,444,756	48,309,135
13. Cost of investments acquired (long-term only):		
13.1 Bonds	52,968,650	57,872,560
13.2 Stocks	60,000	344,400
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)	53,028,650	58,216,960
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)	(9,583,894)	(9,907,825)
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	3,500,000	3,500,000
16.6 Other cash provided (applied)	(356,581)	116,541
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(3,856,581)	(3,383,459)
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)	755,341	(7,981,649)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	4,945,082	12,926,731
19.2 End of year (Line 18 plus Line 19.1)	5,700,423	4,945,082

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	0	0	0	0
2.	Allied lines	0	0	0	0
3.	Farmowners multiple peril	0	0	0	0
4.	Homeowners multiple peril	0	0	0	0
5.	Commercial multiple peril	0	0	0	0
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	0	0	0	0
10.	Financial guaranty	0	0	0	0
11.1	Medical professional liability-occurrence	0	0	0	0
11.2	Medical professional liability-claims-made	0	0	0	0
12.	Earthquake	0	0	0	0
13.	Group accident and health	102,495,320	8,339,711	9,793,022	101,042,009
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	0	0	0	0
17.1	Other liability - occurrence	0	0	0	0
17.2	Other liability - claims-made	10,906,129	3,737,583	5,570,005	9,073,707
17.3	Excess workers' compensation.....	0	0	0	0
18.1	Products liability-occurrence	0	0	0	0
18.2	Products liability-claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	0	0	0	0
19.3,19.4	Commercial auto liability	0	0	0	0
21.	Auto physical damage	0	0	0	0
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	0	0	0	0
27.	Boiler and machinery	0	0	0	0
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Warranty	0	0	0	0
31.	Reinsurance-nonproportional assumed property	0	0	0	0
32.	Reinsurance-nonproportional assumed liability	0	0	0	0
33.	Reinsurance-nonproportional assumed financial lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	113,401,449	12,077,294	15,363,027	110,115,716
DETAILS OF WRITE-INS					
3401.	.....	0	0	0	0
3402.	.....	0	0	0	0
3403.	.....	0	0	0	0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire .....					.0
2.	Allied lines .....					.0
3.	Farmowners multiple peril .....					.0
4.	Homeowners multiple peril .....					.0
5.	Commercial multiple peril .....					.0
6.	Mortgage guaranty .....					.0
8.	Ocean marine .....					.0
9.	Inland marine .....					.0
10.	Financial guaranty .....					.0
11.1	Medical professional liability-occurrence .....					.0
11.2	Medical professional liability-claims-made .....					.0
12.	Earthquake .....					.0
13.	Group accident and health	7,217,751	.0	.0	2,575,271	9,793,022
14.	Credit accident and health (group and individual) .....					.0
15.	Other accident and health .....					.0
16.	Workers' compensation .....					.0
17.1	Other liability-occurrence .....					.0
17.2	Other liability-claims-made	5,295,870	274,135	.0	.0	5,570,005
17.3	Excess workers' compensation .....					.0
18.1	Products liability-occurrence .....					.0
18.2	Products liability-claims-made .....					.0
19.1,19.2	Private passenger auto liability .....					.0
19.3,19.4	Commercial auto liability .....					.0
21.	Auto physical damage .....					.0
22.	Aircraft (all perils) .....					.0
23.	Fidelity .....					.0
24.	Surety .....					.0
26.	Burglary and theft .....					.0
27.	Boiler and machinery .....					.0
28.	Credit .....					.0
29.	International .....					.0
30.	Warranty .....					.0
31.	Reinsurance-nonproportional assumed property .....					.0
32.	Reinsurance-nonproportional assumed liability .....					.0
33.	Reinsurance-nonproportional assumed financial lines .....					.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	12,513,621	274,135	0	2,575,271	15,363,027
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					15,363,027
DETAILS OF WRITE-INS						
3401.	.....					.0
3402.	.....					.0
3403.	.....					.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case. Pro-rata basis.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire						0
2. Allied lines						0
3. Farmowners multiple peril						0
4. Homeowners multiple peril						0
5. Commercial multiple peril						0
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine	19,170,273				19,170,273	0
10. Financial guaranty						0
11.1 Medical professional liability-occurrence						0
11.2 Medical professional liability-claims-made	322,640				322,640	0
12. Earthquake						0
13. Group accident and health	201,471,961	1,514,515	17,105,692	18,132,564	99,464,284	102,495,320
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation						0
17.1 Other liability-occurrence						0
17.2 Other liability-claims-made	29,448,805	0	0	2,839,684	15,702,992	10,906,129
17.3 Excess workers' compensation						0
18.1 Products liability-occurrence						0
18.2 Products liability-claims-made						0
19.1,19.2 Private passenger auto liability						0
19.3,19.4 Commercial auto liability						0
21. Auto physical damage						0
22. Aircraft (all perils)						0
23. Fidelity	181,311	0	0	80,208	101,103	0
24. Surety						0
26. Burglary and theft						0
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Warranty						0
31. Reinsurance-nonproportional assumed property	XXX					0
32. Reinsurance-nonproportional assumed liability	XXX					0
33. Reinsurance-nonproportional assumed financial lines	XXX					0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0
35. TOTALS	250,594,990	1,514,515	17,105,692	21,052,456	134,761,292	113,401,449
DETAILS OF WRITE-INS						
3401.						0
3402.						0
3403.						0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE BCS Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business		Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire .....				.0	.0	.0	.0	.0
2.	Allied lines .....				.0	.0	.0	.0	.0
3.	Farmowners multiple peril .....				.0	.0	.0	.0	.0
4.	Homeowners multiple peril .....				.0	.0	.0	.0	.0
5.	Commercial multiple peril .....				.0	.0	.0	.0	.0
6.	Mortgage guaranty .....				.0	.0	.0	.0	.0
8.	Ocean marine .....				.0	.0	.0	.0	.0
9.	Inland marine	6,293,085	.0	6,293,085	.0	.0	.0	.0	.0
10.	Financial guaranty .....				.0	.0	.0	.0	.0
11.1	Medical professional liability-occurrence .....				.0	.0	.0	.0	.0
11.2	Medical professional liability-claims-made .....	.0	(1,549)	.0	(1,549)	165,776	259,955	(95,728)	.0
12.	Earthquake .....				.0	.0	.0	.0	.0
13.	Group accident and health	119,954,500	14,240,749	71,160,388	63,034,861	24,908,524	25,716,091	62,227,294	61.6
14.	Credit accident and health (group and individual) .....				.0	.0	.0	.0	.0
15.	Other accident and health .....				.0	.0	.0	.0	.0
16.	Workers' compensation .....				.0	.0	.0	.0	.0
17.1	Other liability-occurrence .....	.0	.0	.0	.0	.0	.0	.0	.0
17.2	Other liability-claims-made	10,944,550	.0	10,652,048	292,502	2,692,571	1,285,781	1,699,292	18.7
17.3	Excess workers' compensation .....				.0	.0	.0	.0	.0
18.1	Products liability-occurrence .....				.0	.0	.0	.0	.0
18.2	Products liability-claims-made .....				.0	.0	.0	.0	.0
19.1,19.2	Private passenger auto liability .....				.0	.0	.0	.0	.0
19.3,19.4	Commercial auto liability .....				.0	.0	.0	.0	.0
21.	Auto physical damage .....				.0	.0	.0	.0	.0
22.	Aircraft (all perils) .....				.0	.0	.0	.0	.0
23.	Fidelity	(1,483)	.0	.0	(1,483)	.0	.0	(1,483)	.0
24.	Surety .....				.0	.0	.0	.0	.0
26.	Burglary and theft .....				.0	.0	.0	.0	.0
27.	Boiler and machinery .....				.0	.0	.0	.0	.0
28.	Credit .....				.0	.0	.0	.0	.0
29.	International .....				.0	.0	.0	.0	.0
30.	Warranty .....				.0	.0	.0	.0	.0
31.	Reinsurance-nonproportional assumed property	XXX			.0	.0	.0	.0	.0
32.	Reinsurance-nonproportional assumed liability	XXX			.0	.0	.0	.0	.0
33.	Reinsurance-nonproportional assumed financial lines	XXX			.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	137,190,652	14,239,200	88,105,521	63,324,331	27,766,871	27,261,827	63,829,375	58.0
DETAILS OF WRITE-INS									
3401.	.....				.0	.0	.0	.0	.0
3402.	.....				.0	.0	.0	.0	.0
3403.	.....				.0	.0	.0	.0	.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE BCS Insurance Company

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

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		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	.0	.0	1,940,839	.0	1,940,839	.0	.0
10.	Financial guaranty .....				.0				.0	
11.1	Medical professional liability-occurrence .....				.0				.0	
11.2	Medical professional liability-claims-made .....	.0	26,963	.0	26,963	553,368	54,874	469,429	165,776	27,980
12.	Earthquake .....				.0				.0	
13.	Group accident and health	501,804	570,556	325,044	747,316	44,012,317	9,551,141	29,402,250	(a) 24,908,524	2,172,247
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		.0			.0	.0	.0
17.2	Other liability-claims-made	27,712,385	.0	25,918,934	1,793,451	15,776,071	.0	14,876,951	2,692,571	2,690,524
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	112,883	.0	112,883	.0	.0
24.	Surety .....				.0				.0	
26.	Burglary and theft .....				.0				.0	
27.	Boiler and machinery .....				.0				.0	
28.	Credit .....				.0				.0	
29.	International .....				.0				.0	
30.	Warranty .....				.0				.0	
31.	Reinsurance-nonproportional assumed property	XXX			.0	XXX			.0	
32.	Reinsurance-nonproportional assumed liability	XXX			.0	XXX			.0	
33.	Reinsurance-nonproportional assumed financial lines	XXX			.0	XXX			.0	
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
35.	TOTALS	28,214,189	597,519	26,243,978	2,567,730	62,395,478	9,606,015	46,802,352	27,766,871	4,890,751
DETAILS OF WRITE-INS										
3401.	.....				.0				.0	
3402.	.....				.0				.0	
3403.	.....				.0				.0	
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 + 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	4,648,324			4,648,324
1.2 Reinsurance assumed	368,040			368,040
1.3 Reinsurance ceded	1,225,114			1,225,114
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	3,791,250	0	0	3,791,250
2. Commission and brokerage:				
2.1 Direct, excluding contingent		59,028,215		59,028,215
2.2 Reinsurance assumed, excluding contingent		1,547,418		1,547,418
2.3 Reinsurance ceded, excluding contingent		42,793,506		42,793,506
2.4 Contingent-direct		549,447		549,447
2.5 Contingent-reinsurance assumed		0		0
2.6 Contingent-reinsurance ceded		96,102		96,102
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	18,235,472	0	18,235,472
3. Allowances to manager and agents				0
4. Advertising	2,765	125,524	1,058	129,347
5. Boards, bureaus and associations	3,621	47,529	1,382	52,532
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	797,398	5,519,887	202,521	6,519,806
8.2 Payroll taxes	28,763	351,455	11,011	391,229
9. Employee relations and welfare	242,694	2,965,492	94,398	3,302,584
10. Insurance	2,597	31,728	994	35,319
11. Directors' fees				0
12. Travel and travel items	35,217	435,310	13,481	484,008
13. Rent and rent items	53,603	654,953	20,519	729,075
14. Equipment	3,744	45,747	1,433	50,924
15. Cost or depreciation of EDP equipment and software	27,816	339,882	10,648	378,346
16. Printing and stationery	9,700	118,488	10,233	138,421
17. Postage, telephone and telegraph, exchange and express	14,512	183,716	5,547	203,775
18. Legal and auditing	101,657	2,179,843	359,474	2,640,974
19. Totals (Lines 3 to 18)	1,324,087	12,999,554	732,699	15,056,340
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$119		4,585,888		4,585,888
20.2 Insurance department licenses and fees		913,448		913,448
20.3 Gross guaranty association assessments		13,121		13,121
20.4 All other (excluding federal and foreign income and real estate)		628,794		628,794
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	6,141,251	0	6,141,251
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	2,200	31,826	842	34,868
25. Total expenses incurred	5,117,537	37,408,103	733,541	(a) 43,259,181
26. Less unpaid expenses-current year	4,890,751	2,633,507	40,530	7,564,788
27. Add unpaid expenses-prior year	2,904,327	1,647,022	62,495	4,613,844
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)	3,131,113	36,421,618	755,506	40,308,237
DETAILS OF WRITE-INS				
2401. Donations.....	2,200	26,885	842	29,927
2402. Group Service Administration.....		4,941		4,941
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	2,200	31,826	842	34,868

(a) Includes management fees of \$12,804,293 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....456,700	.....466,208
1.1	Bonds exempt from U.S. tax	(a).....263,474	.....389,204
1.2	Other bonds (unaffiliated)	(a).....7,196,368	.....7,138,060
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....12,375	.....12,375
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....237	.....231
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	7,929,154	8,006,078
11.	Investment expenses		(g).....733,541
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....733,541
17.	Net investment income (Line 10 minus Line 16)		7,272,537
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 through 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 through 1503) plus 1598 (Line 15 above)		0

(a) Includes \$339,842 accrual of discount less \$999,432 amortization of premium and less \$146,319 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ 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	44,114		44,114		
1.1	Bonds exempt from U.S. tax	721		721		
1.2	Other bonds (unaffiliated)	1,009,559	(153,438)	856,121	(324,796)	
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	55,241	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0	0	0
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	1,054,394	(153,438)	900,956	(269,555)	0
DETAILS OF WRITE-INS						
0901.	.....			0		
0902.	.....			0		
0903.	.....			0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,973,212	1,830,208	(143,004)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	1,498,109	1,351,843	(146,266)
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	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	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets	10,199	70,578	60,379
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	3,481,520	3,252,629	(228,891)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	3,481,520	3,252,629	(228,891)
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Miscellaneous Accounts Receivable.....	10,199	70,578	60,379
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	10,199	70,578	60,379

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices

The accompanying financial statements of the Company have been prepared on the basis of accounting procedures prescribed or permitted by the Ohio Insurance Department. The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Ohio Insurance Department.

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

c. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium is established to cover the unexpired portion of premiums written. Such reserves are computed by the pro rata method. Expenses incurred in connection with acquiring new insurance business (acquisition costs) are charged to operations as incurred. Net investment income consists primarily of interest and dividends. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Short-term investments are stated at cost, which approximates market. Long-term bonds are generally stated at their amortized value using the scientific interest method. Non-investment grade securities with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value, with any unrealized losses recorded as a reduction to surplus. If a security is deemed to be other than temporarily impaired, it is written down to its fair value through a charge to earnings. 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.

2. Accounting Changes and Corrections of Errors

Not Applicable

3. Business Combinations and Goodwill

a. Statutory Purchase Method

None

b. Statutory Merger

None

c. Impairment Loss

None

4. Discontinued Operations

Not Applicable

5. Investments

a. Mortgage Loans

None

b. Troubled Debt Restructuring for Creditors

None

c. Reverse Mortgages

None

d. Loan Backed Securities

1. Anticipated prepayments for loan-backed and structured securities are used to determine the effective yield of an issue at purchase. Changes in the estimated cash flows of the issue are incorporated when determining the statement value at the end of each quarter and year-end. Prepayments for loan-backed and structured securities were obtained from the broker dealer survey or Bloomberg Systems. These assumptions are consistent with the current interest rate and economic environment. The retrospective scientific method is used to value most loan-backed and structured securities. For structured securities deemed to be high-risk, meaning the Company might not recover substantially all of its recorded investment due to unanticipated prepayment events, changes in investment yields due to changes in estimated future cash flows are accounted for on a prospective basis.

NOTES TO FINANCIAL STATEMENTS

2. The Company has the following recognized other-than-temporary impairments on loan-backed securities:

	Amortized Cost Basis Before Other-than- Temporary Impairment	Other-than-Temporary Impairment Recognized in Loss		Fair Value C1-(C2a + C2b)
		2a Interest	2b Non-interest	
Aggregate intent to sell	\$ -	\$ -	\$ -	\$ -
Aggregate intent & ability	-	-	-	-

3. The Company has the following information about recognized other-than-temporary impairments currently held:

CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash flows	Recognized other-than- temporary impairment	Amortized cost after other-than temporary impairment	Fair Value	Date of Financial Statement Reported
Impaired assets at Adoption of SAP 43R						
02149v-ag-4	357,087	332,054	25,033	332,054	181,405	Adoption SAP 43R
02151n-bp-6	210,959	8,952	202,007	8,952	23,345	Adoption SAP 43R
07387a-aw-5	222,340	217,469	4,871	217,469	139,284	Adoption SAP 43R
1248mg-ap-9	514,600	420,837	93,763	420,837	164,645	Adoption SAP 43R
12544l-aa-9	832,125	801,081	31,044	801,081	560,251	Adoption SAP 43R
126670-cm-8	512,487	502,736	9,751	502,736	125,173	Adoption SAP 43R
126683-ab-7	510,256	352,195	158,061	352,195	300,707	Adoption SAP 43R
17307g-6k-9	318,395	307,806	10,589	307,806	202,617	Adoption SAP 43R
74958t-ab-9	411,212	390,495	20,717	390,495	244,744	Adoption SAP 43R
74958w-ab-2	358,941	326,537	32,404	326,537	166,582	Adoption SAP 43R
94983r-ad-6	246,682	242,840	3,842	242,840	159,505	Adoption SAP 43R
Total	<u>\$ 4,495,084</u>	<u>\$3,903,002</u>	<u>\$ 592,082</u>	<u>\$3,903,002</u>	<u>\$ 2,268,258</u>	

CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash flows	Recognized other-than- temporary impairment	Amortized cost after other-than temporary impairment	Fair Value	Date of Financial Statement Reported
Impaired assets booked at December 31, 2010						
02149v-ag-4	227,110	214,609	12,501	214,609	177,932	December 2010
1248mg-ap-9	334,941	328,306	6,635	328,306	227,509	December 2010
126670-cm-8	176,119	111,448	64,671	111,448	183,181	December 2010
12669g-k7-5	470,069	448,090	21,979	448,090	390,003	December 2010
12668x-ac-9	473,126	472,382	743	472,382	349,280	December 2010
32051g-rd-9	688,923	688,543	380	688,543	451,067	December 2010
45254n-ml-8	36,296	35,090	1,206	35,090	27,963	December 2010
61913p-ap-7	28,121	27,525	596	27,525	20,422	December 2010
94984g-ad-9	220,030	217,647	2,383	217,647	223,257	December 2010
Total	<u>\$ 2,654,735</u>	<u>\$2,543,640</u>	<u>\$ 111,094</u>	<u>\$2,543,641</u>	<u>\$ 2,050,614</u>	

CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash flows	Recognized other-than- temporary impairment	Amortized cost after other-than temporary impairment	Fair Value	Date of Financial Statement Reported
Impaired assets booked at December 31, 2011						
1248mg-ap-9	318,298	296,423	21,875	296,423	174,517	December 2011
225458-ez-7	434,360	424,292	10,068	424,292	338,684	December 2011
74958t-ab-9	228,364	211,442	16,921	211,442	171,336	December 2011
12544l-aa-9	517,362	513,764	3,598	513,764	475,047	December 2011
949834-aa-3	424,400	421,464	2,935	421,464	392,751	December 2011
	<u>\$ 1,922,784</u>	<u>\$1,867,386</u>	<u>\$ 55,398</u>	<u>\$1,867,386</u>	<u>\$ 1,552,336</u>	

NOTES TO FINANCIAL STATEMENTS

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
- a. The aggregate amount of unrealized losses:
- | | |
|------------------------|-------------|
| a. Less than 12 months | \$103,917 |
| b. 12 Months or Longer | \$2,084,895 |
- b. The aggregate related fair value of securities with unrealized losses was
- | | |
|------------------------|-------------|
| a. Less than 12 months | \$3,917,903 |
| b. 12 Months or Longer | \$8,674,309 |
5. The Company periodically reviews its fixed maturity securities on a case-by-case basis to determine if any decline in fair value below amortized cost is other-than-temporary. Factors considered when determining whether a decline is other-than-temporary include the length of time a security has been in an unrealized loss position, reasons for the decline in value, expectations for the amount and timing of a recovery in fair value, and the Company's intent to sell and whether the Company is more likely than not will be required to sell the security. When the Company intends to sell an impaired security or more likely than not will be required to sell an impaired security before recovery of its amortized cost basis, an other than temporary impairment is recognized in earnings. If the Company does not expect to recover the entire amortized cost basis of an impaired debt security, even if it does not intend to sell the security and it is not more likely than not that it will not be required to sell the security before recovery of its amortized cost basis, the entity must consider, based upon an estimate of the present value of cash flows expected to be collected on the debt security as compared to its amortized cost basis, whether a credit loss exists. The portion of the total other than temporary impairment related to a credit loss is recognized in the statement of income. For structured securities the difference between amortized cost and net present value of future cash flows is considered to be a credit loss. For all other securities, the difference between fair market value and amortized cost is considered to be a credit loss. If it is determined that a decline in fair value of an investment is temporary, an other-than-temporary impairment loss is not recorded.

Generally, securities with fair values that are less than 80% of cost and other securities the Company determines are underperforming or potential problem securities are subject to regular review. To facilitate the review, securities with significant declines in value, or where objective criteria evidencing credit deterioration have been met, are included on a watch list. Among the criteria for securities to be included on a watch list are: credit deterioration which has led to a significant decline in value of the security; a significant covenant related to the security has been breached; and an issuer has filed or indicated a possibility of filing for bankruptcy, has missed or announced it intends to miss a scheduled interest or principal payment, or has experienced a specific material adverse change that may impair its creditworthiness.

When performing these reviews, the Company considers the relevant facts and circumstances relating to each investment and exercises considerable judgment in determining whether a security is other-than-temporarily impaired. Assessment factors include judgments about an obligor's current and projected financial position, an issuer's current and projected ability to service and repay its debt obligations, the existence of, and realizable value of, any collateral backing the obligations, the macro-economic and the micro-economic outlooks for specific industries and issuers. Assessing the duration of asset-backed securities can also involve assumptions regarding underlying collateral such as prepayment rates, default and recovery rates, and third-party servicing capabilities.

Among the factors considered is whether the decline in fair value results from a change in the quality of the security itself, or from a downward movement in the market as a whole, the likelihood of recovering the carrying value based on the current and short-term prospects of the issuer, and the Company's ability and intent to hold the security until such a recovery may occur. Unrealized losses that are considered to be primarily the result of market conditions, such as increasing interest rates, unusual market volatility, or industry-related events, and where the Company also believes there exists a reasonable expectation for recovery and, furthermore, has the intent and ability to hold the investment until maturity or the market recovery, are usually determined to be temporary. To the extent factors contributing to recognize other-than-temporary impairment losses affected other investments, such investments were reviewed for other-than-temporary impairment and losses were recorded when appropriate.

In addition to the review procedures described above, investment in structured securities where market prices are depressed are subject to a review of their future estimated cash flows, including expected and stress case scenarios, to identify potential shortfalls in contractual payments. Even in the case of severely depressed market values on structured securities, the Company places significant importance on the results of its cash flow testing and its ability and intent to hold these securities until their fair values recover when reaching other-than-temporary impairment conclusions. If there has been an adverse change in estimated cash flows which results in negative yield, an other-than-temporary impairment is recognized in the consolidated statements of income.

There are inherent uncertainties in assessing the fair values assigned to the Company's investments and in determining whether a decline in fair value is other-than-temporary. The Company's review of fair value involves several criteria including economic conditions, credit loss experience, other issuer-specific developments and future cash flows. These assessments are based on the best available information at the time. Factors such as market liquidity, the widening of bid/ask spreads and a change in the cash flow assumptions can contribute to future price volatility. If actual experience differs negatively from the assumptions and other consideration, realized losses may be recognized in the consolidated statements of income in future periods.

NOTES TO FINANCIAL STATEMENTS

The Company currently does not have the intent to sell securities with unrealized losses not considered other-than-temporary until they mature or recover in value. However, if the specific facts and circumstances surrounding a security or the outlook for its industry sector change, the Company may sell the security and realize a loss.

e. Repurchase Agreements

None

f. Real Estate

None

g. Low Income Housing Tax Credits

Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

a. Detail for Those Greater than 10% of Admitted Assets

Not Applicable

b. Write-downs for Impairments

Not Applicable

7. Investment Income

a. Accrued Investment Income

The Company nonadmits investment income due and accrued if amounts are over 90 days past due.

b. Amounts Nonadmitted

The total amount excluded was \$278.

8. Derivative Instruments

a. The Company does not have positions in derivative instruments.

9. Income Taxes

The December 31, 2011 and December 31, 2010 balances and related disclosures are calculated and presented pursuant to SSAP 10R.

a. The net deferred tax asset at December 31, 2011 and the change from the prior year are comprised of the following components:

	December 31, 2011			December 31, 2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total gross deferred tax assets	2,818,894	1,180,737	3,999,631	2,542,967	1,342,336	3,885,303	275,927	(161,599)	114,328
Total gross deferred tax liabilities	<u>43,319</u>	<u>667,612</u>	<u>710,931</u>	<u>14,112</u>	<u>648,829</u>	<u>662,941</u>	<u>29,207</u>	<u>18,783</u>	<u>47,990</u>
Net deferred tax assets	2,775,575	513,125	3,288,700	2,528,855	693,507	3,222,362	246,720	(180,382)	66,338
deferred tax assets	<u>984,984</u>	<u>513,125</u>	<u>1,498,109</u>	<u>934,861</u>	<u>416,982</u>	<u>1,351,843</u>	<u>50,123</u>	<u>96,143</u>	<u>146,266</u>
Net admitted deferred tax assets	<u>1,790,591</u>	<u>-</u>	<u>1,790,591</u>	<u>1,593,994</u>	<u>276,525</u>	<u>1,870,519</u>	<u>196,597</u>	<u>(276,525)</u>	<u>(79,928)</u>

The Company has not elected to admit deferred tax assets pursuant to paragraph 10.e, which allows for expanded admittance testing, for the years ended December 31, 2011 and December 31, 2010.

NOTES TO FINANCIAL STATEMENTS

The amount of admitted adjusted gross deferred tax assets admitted under each component of SSAP 10R:

	December 31, 2011			December 31, 2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted under paragraph 10.a.	1,790,591	-	1,790,591	1,593,994	276,525	1,870,519	196,597	(276,525)	(79,928)
Paragraph 10.b., lesser of:									
Admitted under paragraph 10.b.i	-	-	-	-	-	-	-	-	-
Admitted under paragraph 10.b.ii	-	-	-	-	-	-	-	-	-
Admitted under paragraph 10.b. (lesser of b.i. or b.ii)	-	-	-	-	-	-	-	-	-
Admitted under paragraph 10.c.	43,319	667,612	710,931	14,112	648,829	662,941	29,207	18,783	47,990
Total admitted gross deferred tax assets	1,833,910	667,612	2,501,522	1,608,106	925,354	2,533,460	225,804	(257,742)	(31,938)

The Company's risk-based capital level used for purposes of paragraph 10.d. is based on the following:

	December 31, 2011	December 31, 2010	Change
Used in SSAP 10R, Paragraph 10.d			
Total Adjusted Capital	146,616,413	142,045,303	4,571,110
Authorized Control Level	6,568,281	8,295,704	(1,727,423)

	December 31, 2011			December 31, 2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted Deferred Tax Assets	\$ 1,790,591	-	1,790,591	\$ 1,593,994	276,525	1,870,519	\$ 196,597	(276,525)	(79,928)
Admitted Assets	XXX	XXX	229,381,584	XXX	XXX	217,904,472	XXX	XXX	11,477,112
Adjusted Statutory Surplus	XXX	XXX	146,616,413	XXX	XXX	142,045,303	XXX	XXX	4,571,110
Total Adjusted Capital from DTA's	XXX	XXX	1,790,591	XXX	XXX	1,870,519	XXX	XXX	(79,928)

December 31, 2011		
Ordinary	Capital	Total %

Impact of Tax Planning Strategies

Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	16%	16%
Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%

b. Unrecognized DTL's

Not Applicable

c. Current Tax and Change in Deferred Tax

Income tax expense for the years ended December 31, 2011 and December 31, 2010 is comprised of the following components:

	December 31, 2011	December 31, 2010
Current tax expense on realized capital gains	34,296	259,600
Current tax expense	3,774,121	2,822,572
Federal income taxes incurred	3,808,417	3,082,172

NOTES TO FINANCIAL STATEMENTS

The main components of deferred income tax assets and liabilities and the changes therein are as follows:

	December 31, 2011	December 31, 2010	Change
Deferred Tax Assets			
<u>Ordinary</u>			
Discounting of unpaid losses and LAE	339,287	256,688	82,599
Change in unearned premium reserve	869,567	768,592	100,975
Statutory nonadmitted assets	674,360	646,267	28,093
Allowance for doubtful accounts	<u>935,680</u>	<u>871,420</u>	<u>64,260</u>
Subtotal	2,818,894	2,542,967	275,927
Deferred tax assets nonadmitted	<u>984,984</u>	<u>934,861</u>	<u>50,123</u>
Admitted ordinary deferred tax assets	1,833,910	1,608,106	225,804
<u>Capital</u>			
Unrealized losses on bonds	656,561	546,130	110,431
Other than temporary impairment	<u>524,176</u>	<u>796,206</u>	<u>(272,030)</u>
Subtotal	1,180,737	1,342,336	(161,599)
Deferred tax assets nonadmitted	<u>513,125</u>	<u>416,982</u>	<u>96,143</u>
Admitted capital deferred tax assets	667,612	925,354	(257,742)
Admitted deferred tax assets	2,501,522	2,533,460	(31,938)
Deferred Tax Liabilities			
<u>Ordinary</u>			
Bond discount accrual	<u>43,319</u>	<u>14,112</u>	<u>29,207</u>
Total ordinary deferred tax liabilities	43,319	14,112	29,207
<u>Capital</u>			
Unrealized capital losses	659,180	640,397	18,783
Tax free exchanges on securities	<u>8,432</u>	<u>8,432</u>	<u>-</u>
Total capital deferred tax liabilities	667,612	648,829	18,783
Total deferred tax liabilities	<u>710,931</u>	<u>662,941</u>	<u>47,990</u>
Net admitted deferred tax assets	<u>1,790,591</u>	<u>1,870,519</u>	<u>(79,928)</u>

The change in net deferred income taxes reported in surplus before consideration of nonadmitted assets is comprised of the following components:

	December 31, 2011	December 31, 2010	Change
Total adjusted gross deferred tax assets	3,999,631	3,885,303	114,328
Total gross deferred tax liabilities	<u>710,931</u>	<u>662,941</u>	<u>47,990</u>
Net deferred tax assets	3,288,700	3,222,362	66,338
Deferred tax on change in net unrealized capital losses			<u>(91,648)</u>
Change in net deferred income tax			(25,310)

NOTES TO FINANCIAL STATEMENTS

d. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items that cause the difference between the statutory federal income tax rate of 34% and BCSI's effective income tax rate are as follows:

	December 31, 2011
Current income taxes incurred	3,808,417
Change in net deferred income tax	25,310
Total income tax reported	<u>3,833,727</u>
Income before taxes	11,147,434
Expected income tax expense at 34% statutory rate	3,790,128
Increase (decrease) in actual tax reported resulting from:	
Nondeductible expense for lobbying and penalties	177,539
Tax exempt interest	(112,480)
Provision to actual adjustment	6,633
Change in nonadmitted assets	<u>(28,093)</u>
Total income tax	<u>3,833,727</u>

e. Operating Loss and Tax Credit Carryforwards

As of December 31, 2011 and December 31, 2010, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

The income tax expense of \$3,830,994 from 2011 and \$3,113,038 from 2010 is available for recoupment in the event of future net losses. The reporting entity has a total of \$0 protective deposits which are on deposit with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.

f. Consolidated Federal Income Tax Return

The Company's federal income tax return is consolidated with its parent, BCS Financial Corporation (BCSF). The method of allocation between companies is subject to written agreement, approved by the Board of Directors. Intercompany tax balances are settled annually. Allocation is based upon separate return calculations, with credit for net losses being obtained when utilized.

10. Information Concerning Parent, Subsidiaries, and Affiliates

a. Nature of Relationships

The Company has a management service agreement with BCSF. It shares common management, staff and facilities provided by BCSF with its other affiliates. Expenses identified as specific to a company are charged directly; all other expenses are charged in accordance with the service agreement.

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

The Company paid cash dividends to BCSF of \$3,500,000 in both 2011 and 2010.

c. Change in Intercompany Arrangements

None

d. Amounts Due to or from Related Parties

At December 31, 2011, the Company reported \$4,711,967 due to affiliates. This is comprised of \$3,198,546 payable to BCS Financial Corporation, \$1,552,763 payable to BCSI Agency Inc., and a \$39,342 receivable from 4 Ever Life.

e. Guarantees or Contingencies for Related Parties

None

f. Management or Service Contracts and Cost Sharing Arrangements

The Company has a management service agreement with BCSF whereby BCSF provides all insurance management, administrative and advisory services as well as investment management and general office administrative services.

g. Nature of Control Relationship Disclosure

All outstanding common shares are owned by BCSF, an insurance holding company domiciled in the state of Delaware.

h. Amount Deducted for Investment in Upstream Company

Not Applicable

NOTES TO FINANCIAL STATEMENTS

- i. Investments in SCA Entity that Exceeds 10% of Admitted Assets

Not Applicable

- j. Investments in Impaired SCA Entities Disclosure

Not Applicable

- k. Foreign Insurance Subsidiary

Not Applicable

- l. Down Stream Holding Company Valued Using Look - Through Method

Not Applicable

11. Debt

In the second quarter of 2010, the Company became a member of the Federal Home Loan Bank of Cincinnati (FHLBC) which provides the Company access to collateralized advances, collateralized funding agreement, and other FHLBC products. The Company's membership in FHLBC requires the ownership of member stock, and borrowing from FHLBC required the purchase of FHLBC activity based stock in an amount equal to .15 of 1 percent of total assets.

In 2010, the Company purchased \$344,400 of common stock in the FHLBC. In 2011, it purchased an additional \$60,000 of common stock and currently maintains an investment of \$404,400 in the FHLBC.

The Company, as a member of the FHLBC, has no outstanding borrowings at December 31, 2011. The Company has placed \$2,025,065 on deposit with FHLB to secure any future borrowings.

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

- a. Defined Benefit Plan

None

- b. Defined Contribution Plans

None

- c. Multiemployer Plans

None

- d. Consolidated/Holding Company Plans

BCSF sponsors a defined benefit pension plan, a postretirement healthcare benefit plan and a 401(k) Plan covering substantially all of its employees as well as a deferred compensation plan for select employees. The expenses of these plans are charged in accordance with the management service agreement. The Company incurred expenses of \$2,890,112 and \$3,091,640 in 2011 and 2010, respectively, relating to these plans. The Company has no legal obligation for benefits under these plans.

- e. Postemployment Benefits and Compensated Absences

None

- f. Impact of Medicare Modernization Act on Postretirement Benefits

Not Applicable

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

- a. Outstanding Shares

The Company has 300,000 shares of \$10 par value common stock authorized, issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

- b. Dividend Rate of Preferred Stock

Not Applicable

- c. d. and e. Dividend Restrictions

All dividends require notification to the Director of the Ohio Department of Insurance. The amount of dividends that can be paid by insurance companies domiciled in Ohio without prior approval of the Director of the Ohio Department of Insurance is subject to restriction and cannot exceed the greater of ten percent of prior year end surplus or the prior year's net income. The amount of dividends that could be paid in 2011 without prior approval was \$14,204,530. The Company paid dividends totaling \$3,500,000 to its stockholder during 2011.

NOTES TO FINANCIAL STATEMENTS

f. Restrictions on Unassigned funds

Not Applicable

g. Mutual Surplus Advances

Not Applicable

h. Company Stock Held for Special Purposes

Not Applicable

i. Changes in Special Surplus Funds

Not Applicable

j. Changes in Unassigned Funds

The portion of unassigned funds represented or reduced by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus
1. Unrealized gains on Affiliated stock	1,279,585
2. Unrealized loss on Bonds	<u>(1,274,501)</u>
Total	<u><u>5,084</u></u>

k. Surplus Notes

Not Applicable

l. - m. Quasi Reorganizations

Not Applicable

14. Contingencies

a. Contingent Commitments and Other Contingencies

The Company is negotiating with one state over the terms of a proposed consent order arising out of a market conduct investigation. The proposed order would include a payment of a \$500,000 fine plus implementation of a two-year compliance plan. Under the terms of the proposed order, an additional fine of \$250,000 would be levied for any violation of the compliance plan within the two year period. The Company believes that the likelihood is remote that the payment of the additional \$250,000 fine will be required and therefore has not accrued a contingent liability in the financial statements. The \$500,000 fine is included in aggregate write-ins for liabilities.

b. Guarantee Fund and Other Assessments

The Company is subject to guarantee fund assessments by the states in which it writes business. Guarantee fund assessments are accrued at the time of insolvency. The Company has accrued a liability for guarantee fund assessments of \$23,639 at December 31, 2011. The amount represents management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

c. Gain Contingencies

None

d. Extra Contractual Obligations and Bad Faith

None

e. All Other Contingencies

None

15. Leases

a. b. and c. Disclosures Related to Lessee and Lessor Leasing Arrangements

None

16. Information About Financial Instruments with Off-Balance Sheet Risk

a. Face or Contract Amounts

None

NOTES TO FINANCIAL STATEMENTS

b. Nature and Terms

Not Applicable

c. Exposure to credit-related losses

Not Applicable

d. Collateral Policy

Not Applicable

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

a. Transfer of Receivables Reported as Sales

Not Applicable

b. Transfer and Servicing of Financial Assets

Not Applicable

c. Wash Sales

The Company historically has not acquired securities with an NAIC designation of 3 or below. The Company has not sold and reacquired any security within a 30-day period of its original sale.

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

a. Administrative Services Only (ASO) Plans

Not Applicable

b. Administrative Services Contract (ASC) Plans

Not Applicable

c. Medicare or Similarly Structured Cost Based Reimbursement Contracts

Not Applicable

19. Direct Premium Written/Produced by Third Party Administrators (equal to or greater than 5% of surplus)

Name & Address	FEIN	Exclusive Contract	Types of Business Written	Authority Granted	Direct Premium Written
MGA Financial Services, Inc. 9024 Town Center Parkway Lakewood, Ranch, FL 34202	65-0917796	N	Other Liability	P, U, B	7,356,670
Interstate Risk Insurance Services, Inc. 1800 Sutter Street Suite 777 Concord, CA 94520	38-3656924	N	Legal Liability	P, U, B	8,355,936
Worldwide Insurance Services, Inc. dba HTH Worldwide One Radnor Corporate Center Suite 100 Radnor, PA 19087	54-1867679	N	Major Medical, AD & D	C, CA, P	8,528,780
AGA Service Company 2805 North Parham Road Richmond, VA 23294	54-1545622	N	Group Travel	l C, CA, P, U, B	65,100,941
Plan Administrators, Inc. 8906 Two Notch Road, Ste. 200 Columbia, SC 29223	57-0718839	N	Accident & Health, Dental, AD & D, Disability	C, CA, P, U	94,169,165
All other TPA premium					24,893,406

20. Fair Value Measurements

The Company does not have any assets measured and reported at fair value on a recurring basis.

21. Other Items

a. Extraordinary Items

None

NOTES TO FINANCIAL STATEMENTS

b. Troubled Debt Restructuring Debtors

None

c. Other Disclosures

None

d. Uncollectible Premiums Receivable

None

e. Business Interruption Insurance Recoveries

None

f. State Transferable Tax Credits

None

g. Subprime Mortgage Related Risk Exposure

1. The Company has identified securities with the following characteristics as having subprime mortgage risk:

- a. First lien mortgages where borrowers have a FICO scores less than 650
- b. First lien mortgages with loan-to-value ratios greater than 95%
- c. Second lien mortgages where borrowers have FICO scores less than 675
- d. Borrowers with less than conventional documentation of their income and/or net assets and FICO scores less than 650

2. Direct Exposure through investments in subprime mortgage loans

None

3. The following summarizes the Company's investments in securities with underlying subprime exposure at December 31, 2011:

Investment type	Actual Cost	Book Adjusted Carrying Value	Fair Value	Other-than- Temporary Impairment Losses recognized to date
Residential mortgaged backed securities	2,597,367	1,975,507	2,068,081	593,108
Commercial mortgage backed securities	-	-	-	-
Collateralized debt obligations	-	-	-	-
Structured securities	-	-	-	-
Equity investments in subsidiaries	-	-	-	-
Other assets	-	-	-	-

4. Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

None

22. Events Subsequent

- a. Subsequent events have been considered through February 20, 2012 for these statutory financial statements which are to be issued February 21, 2012. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

23. Reinsurance

a. Unsecured Reinsurance Recoverables

The Company has outlined below unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized that exceed 3% of policyholders' surplus.

FEIN	NAIC #	Reinsurer	Recoverable
36-2149353	80985	4 Ever Life Insurance Co.	9,336,000
36-3503382	26794	Plans' Liability Ins. Co.	26,244,000
13-2918573	42439	TOA Reinsurance Co.	4,499,000

NOTES TO FINANCIAL STATEMENTS

b. Reinsurance Recoverable in Dispute

None

c. Reinsurance Assumed and Ceded

The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2011:

	Assumed Premium Reserve	Reinsurance Commission Equity	Ceded Premium Reserve	Reinsurance Commission Equity	Net Premium Reserve	Reinsurance Commission Equity
a. Affiliates	-	-	460,618	60,571	(460,618)	(60,571)
b. All Other	2,692,361	-	7,230,838	1,611,469	(4,538,477)	(1,611,469)
c. Totals	2,692,361	-	7,691,457	1,672,040	(4,999,096)	(1,672,040)

d. Direct Unearned Premium Reserve 20,362,123

d. Uncollectible Reinsurance

None

e. Commutation of Assumed Reinsurance

None

f. Retroactive Reinsurance

	Ceded	Assumed
Reserves Transferred:		
Initial Reserves	2,488,504	(316,695)
Adjustments - Prior Year(s)	(2,311,584)	(152,746)
Adjustments - Current Year	(65,001)	43,180
Current Total Asset (Liability)	111,919	(426,261)
Consideration (Paid) or Received:		
Initial Consideration	(2,488,504)	316,695
Adjustments - Prior Year(s)	-	10,219
Adjustments - Current Year	-	-
Current Total	(2,488,504)	326,914
Paid Losses (Reimbursed) or Recovered:		
Prior Year(s)	1,941,184	(521,500)
Current Year	-	(66,000)
Current Total	1,941,184	(587,500)
Cumulative Total Transferred to Unassigned Funds	(435,401)	(686,847)

g. Reinsurance Accounted for as a Deposit

No Change

h. Run-Off Agreements

Not Applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

a. Methods Used to Estimate

None

b. Method used to Record

Not Applicable

c. Amount and Percent of Net Retrospective Premiums

None

NOTES TO FINANCIAL STATEMENTS

d. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

Prior Reporting Year	Small Group Large Group Other Categories				Total
	Individual	Employer	Employer	with Rebates	
1 Medical Loss Ratio rebates incurred	-	-	-	-	-
2 Medical Loss Ratio rebates paid	-	-	-	-	-
3 Medical Loss Rebates unpaid	-	-	-	-	-
4 Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
5 Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
6 Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	
Current Reporting Year					
7 Medical Loss Ratio rebates incurred	-	-	-	-	-
8 Medical Loss Ratio rebates paid	-	-	-	-	-
9 Medical Loss Rebates unpaid	-	-	-	-	-
10 Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
11 Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
12 Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	

e. Calculation of nonadmitted accrued retrospective premiums

None

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by \$7,170,000 during 2011 as shown in the chart below. This is 23.77% of unpaid losses and loss adjustment expenses of \$30,166,000 as of December 31, 2010.

The decrease occurred in the accident and health line of business. Increases or decreases of this nature occur as the result of claim settlements during the current year, and as information is received regarding individual claims, causing changes from the original estimates of the cost of these claims. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses.

	In ('000) 2011				
	2011 Calendar	Loss Year	Loss and DCC		Impact of AO
	Year Losses	Losses and	Shortage		on Total
	and LAE	LAE Incurred	Total Shortage	(Redundancy)	Shortage
	Incurred	Sch. P - Part 1	(Redundancy)	Sch. P - Part 2	(Redundancy)
Medical Malpractice	(67)	-	(67)	(68)	1
Accident and Health	64,661	72,274	(7,613)	(6,616)	(997)
Other Liability - Occurrence	(6)	-	(6)	(6)	-
Other Liability - Claims Made	4,361	4,724	(363)	(478)	115
Auto Physical Damage	-	-	-	-	-
Fidelity	(1)	-	(1)	(1)	-
Inland Marine / Other	-	-	-	-	-
	<u>68,947</u>	<u>76,998</u>	<u>(8,051)</u>	<u>(7,170)</u>	<u>(881)</u>

26. Intercompany Pooling Arrangements

Not Applicable

27. Structured Settlements

a. Reserves Released due to Purchase of Annuities.

In 2003, the Company purchased annuities that have a remaining balance of \$307,650 through New York Life Insurance Company under which the claimant is the payee.

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

Not Applicable

28. Health Care Receivables

a. Pharmaceutical Rebate Receivables

Not Applicable

NOTES TO FINANCIAL STATEMENTS

b. Risk Sharing Receivables

Not Applicable

29. Participating Policies

Not Applicable

30. Premium Deficiency Reserves

The Company evaluated the need to record a premium deficiency reserve as of the end of the current year and determined a reserve was not necessary. This evaluation was completed on February 20, 2012. The Company does anticipate investment income when evaluating the need for a premium deficiency reserve.

31. High Deductibles

Not Applicable

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

a. Tabular Discounts

Not Applicable

b. Non-Tabular Discounts

Not Applicable

c. Changes in Discounting Assumptions

Not Applicable

33. Asbestos/ Environmental Reserves

Not Applicable

34. Subscriber Savings Account

Not Applicable

35. Multiple Peril Crop Insurance

None

36. Financial Guaranty Insurance

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []
- 1.3

State Regulating?

Ohio.....
- 2.1

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

Yes [] No [X]
- 2.2

If yes, date of change:

.....
- 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.

.....12/31/2008
- 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).

.....05/07/2010
- 3.4

By what department or departments? Ohio.....
- 3.5

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

Yes [] No [] N/A [X]
- 3.6

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

Yes [X] 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? Yes [X] No []

4.12 renewals? Yes [X] 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? Yes [] No [X]

4.22 renewals? Yes [] No [X]
- 5.1

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

Yes [] No [X]
- 5.2

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

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

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,

7.21 State the percentage of foreign control0.0

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

1 Nationality	2 Type of Entity
.....
.....
.....
.....
.....

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	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, 303 East Wacker Drive, Chicago, IL 60601.....

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?
Charles C. Emma, EVP Streff, 514 W. State Street, Suite 210, Geneva, IL 60134.....

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 involved0

12.13 Total book/adjusted carrying value \$0

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

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).

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	2	3	4
American Bankers Association (ABA) Routing Number	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 or is likely to 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 \$.....519,065

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: \$.....

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
The Company has securities on deposit with Federal Home Loan Bank to secure a line of credit.....
- 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes ☐ No ☐ NA ☒
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$.....0
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$.....0
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes ☐ No ☐ NA ☒
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ☐ No ☐ NA ☒
- 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 ☐ NA ☒

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 [X] No []

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

25.21	Subject to repurchase agreements	\$0
25.22	Subject to reverse repurchase agreements	\$0
25.23	Subject to dollar repurchase agreements	\$0
25.24	Subject to reverse dollar repurchase agreements	\$0
25.25	Pledged as collateral	\$2,025,065
25.26	Placed under option agreements	\$0
25.27	Letter stock or securities restricted as to sale	\$3,566,265
25.28	On deposit with state or other regulatory body	\$7,654,981
25.29	Other	\$0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
Must sell to Blue Cross Blue Shield or affiliated company.....	Plans' Liability Insurance Company common stock.....	.....3,566,265
.....
.....
.....
.....

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. \$0

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank & Trust Co. Boston.....	One Lincoln Street, Boston, MA 02111.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
109875.....	Asset Allocation Management Company, LLP.....	30 North LaSalle Street, 35th Floor, Chicago, IL 60602.....
106595.....	Wellington Management Company, LLP.....	75 State Street, Boston, MA 02109.....

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)])?
- 29.2 If yes, complete the following schedule:
- Yes [] No [X]

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

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	179,000,668	189,649,750	10,649,082
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	179,000,668	189,649,750	10,649,082

- 30.4 Describe the sources or methods utilized in determining the fair values:
See Attachments.....
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?
- 32.2 If no, list exceptions:
- Yes [X] No []
- Yes [X] No []
- Yes [X] No []

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$50,913
- 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
Insurance Services Office, Inc.....	\$.....26,636
.....	\$.....
.....

- 34.1 Amount of payments for legal expenses, if any? \$86,216
- 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
Hinkhouse Williams Walsh.....	\$.....48,081
.....	\$.....
.....

- 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
.....	\$.....
.....	\$.....
.....	\$.....
.....

GENINTPT1 - Attachment

The Company's custodial bank provides the Company with the fair market value of the securities. A description of its methods follows: Interactive Data Services, JP Morgan Pricing Direct, Barclays Capital are all sources for U.S. Treasuries, Corporates, Governments, and Collateralized Mortgage Obligations; Interactive Data Services and Bloomberg are the primary sources for Municipals; manual pricing is provided by Bloomberg.

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1

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

Yes [X] No []

1.2

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

\$ 1,704

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

\$ 1,704

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

1

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

\$ 35,553,852

\$ 34,605,756

2.2

Premium Denominator

\$ 110,115,716

\$ 105,509,364

2.3

Premium Ratio (2.1/2.2)

0.323

0.328

2.4

Reserve Numerator

\$ 34,298,522

\$ 35,272,053

2.5

Reserve Denominator

\$ 45,445,378

\$ 41,505,004

2.6

Reserve Ratio (2.4/2.5)

0.755

0.850

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 []

4.2

Does the reporting entity issue non-assessable policies?

Yes [] No []

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 [X]

5.22

As a direct expense of the exchange

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

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [] No []

5.5

If yes, give full information

16

GENERAL INTERROGATORIES
PART 2 - PROPERTY & 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.....
No workers' compensation contracts were written.....

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:
N/A.....

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?.....
N/A.....

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?.....

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
The Company is provided protection through Excess of loss reinsurance and primarily writes Accident & Health policies.....

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?.....

7.2

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

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

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?.....

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.....

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.

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 31 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?

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.

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

[X]

Yes

[]

No

[X]

Yes

[]

No

[X]

Yes

[]

No

[X]

Yes

[]

No

[X]

Yes

[X]

No

[]

N/A

[]

16.1

GENERAL INTERROGATORIES
PART 2 - PROPERTY & 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 that is secured by letters of credit, collateral and other funds?

\$ 0

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

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

12.4

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

12.41

From

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 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):

\$ 1,200,000

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.

10

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	2	3	4	5
	Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
16.11 Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.12 Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.13 Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.14 Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & 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.....	\$.....0
17.12	Unfunded portion of Interrogatory 17.11.....	\$.....0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$.....0
17.14	Case reserves portion of Interrogatory 17.11.....	\$.....0
17.15	Incurred but not reported portion of Interrogatory 17.11.....	\$.....0
17.16	Unearned premium portion of Interrogatory 17.11.....	\$.....0
17.17	Contingent commission portion of Interrogatory 17.11.....	\$.....0

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

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....0
17.19	Unfunded portion of Interrogatory 17.18.....	\$.....0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$.....0
17.21	Case reserves portion of Interrogatory 17.18.....	\$.....0
17.22	Incurred but not reported portion of Interrogatory 17.18.....	\$.....0
17.23	Unearned premium portion of Interrogatory 17.18.....	\$.....0
17.24	Contingent commission portion of Interrogatory 17.18.....	\$.....0

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 the funds administered as of the reporting date. \$.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE BCS Insurance Company

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2011	2010	2009	2008	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)	29,771,445	28,409,499	24,363,808	23,554,088	32,371,575
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	19,170,273	14,674,901	13,429,621	20,521,668	40,562,998
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)	220,273,479	198,483,670	198,424,442	216,020,628	221,542,694
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	269,215,197	241,568,070	236,217,871	260,096,384	294,477,267
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)	10,906,129	6,846,601	2,407,102	2,428,859	1,868,322
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)	102,495,320	100,330,086	104,563,521	109,569,133	99,641,894
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	113,401,449	107,176,687	106,970,623	111,997,992	101,510,216
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	3,760,701	651,324	(3,403,852)	2,576,822	801,190
14. Net investment gain (loss) (Line 11)	8,139,199	7,711,001	8,229,825	4,995,094	8,949,529
15. Total other income (Line 15)	(786,763)	(389,884)	(216,310)	4,781,522	7,906,698
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	3,774,121	2,822,572	1,540,415	5,449,224	6,309,726
18. Net income (Line 20)	7,339,016	5,149,869	3,069,248	6,904,214	11,347,691
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	230,556,413	217,904,472	220,244,811	221,788,448	221,832,792
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	25,653,772	24,593,140	24,573,010	24,654,720	22,824,688
20.2 Deferred and not yet due (Line 15.2)	581,697	2,018,200	3,251,759	2,592,780	2,738,105
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	83,940,000	75,859,169	79,821,817	81,231,426	80,542,545
22. Losses (Page 3, Line 1)	27,766,871	27,261,827	34,271,365	39,781,882	37,407,234
23. Loss adjustment expenses (Page 3, Line 3)	4,890,751	2,904,327	2,562,544	2,933,518	2,699,136
24. Unearned premiums (Page 3, Line 9)	15,363,027	12,077,294	10,409,971	11,578,918	11,552,987
25. Capital paid up (Page 3, Lines 30 & 31)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	146,616,413	142,045,303	140,422,994	140,557,022	141,290,247
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	14,195,816	5,309,635	2,014,467	13,089,163	13,648,890
Risk-Based Capital Analysis					
28. Total adjusted capital	146,616,413	142,045,303	140,422,994	140,557,022	141,290,247
29. Authorized control level risk-based capital	6,568,281	8,295,704	9,252,423	9,316,786	9,312,325
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	94.8	95.0	90.5	90.7	92.5
31. Stocks (Lines 2.1 & 2.2)	2.1	2.2	2.0	1.9	1.9
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)	3.1	2.8	7.5	7.4	5.6
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	0.0	0.0	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, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	3,566,265	3,511,021	3,374,146	3,357,839	3,314,295
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	128,930	128,930	1,125,491	104,735	339,875
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	3,695,195	3,639,951	4,499,637	3,462,574	3,654,170
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)	2.5	2.6	3.2	2.5	2.6

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2011	2010	2009	2008	2007
(Continued)					
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)	(177,905)	298,932	60,400	(126,699)	(37,815)
51. Dividends to stockholders (Line 35)	(3,500,000)	(3,500,000)	(3,500,000)	(6,500,000)	(10,500,000)
52. Change in surplus as regards policyholders for the year (Line 38)	4,571,110	1,622,309	(134,028)	(733,225)	4,622,309
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)	10,943,001	3,598,679	23,092,038	5,029,581	25,452,947
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	6,293,085	4,293,936	6,097,559	14,246,460	19,853,586
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)	134,193,766	136,361,196	148,117,192	143,346,736	132,519,610
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
58. Total (Line 35)	151,429,852	144,253,811	177,306,789	162,622,777	177,826,143
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)	290,953	391,377	897,190	329,583	1,104,021
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)	63,033,378	72,190,262	80,491,117	63,763,096	58,927,981
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
64. Total (Line 35)	63,324,331	72,581,639	81,388,307	64,092,679	60,032,002
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	58.0	62.1	70.2	59.4	60.8
67. Loss expenses incurred (Line 3)	4.6	3.7	3.3	3.9	3.5
68. Other underwriting expenses incurred (Line 4)	34.0	33.6	29.7	34.4	34.9
69. Net underwriting gain (loss) (Line 8)	3.4	0.6	(3.1)	2.3	0.8
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)	33.7	33.4	30.3	30.1	27.2
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	62.6	65.8	73.4	63.3	64.3
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)	77.3	75.5	76.2	79.7	71.8
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)	(7,170)	(3,296)	473	906	2,852
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)	(5.0)	(2.3)	0.3	0.6	2.1
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(5,900)	(18)	(2,644)	544	(4,727)
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)	(4.2)	0.0	(1.9)	0.4	(3.6)

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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	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	309	178	13	13	0	0	(1)	131	XXX
2. 2002	324,999	161,059	163,940	188,389	101,151	5,085	4,630	1,927	631	(2)	88,990	XXX
3. 2003	235,981	148,812	87,169	142,180	93,832	7,172	5,629	1,827	576	0	51,142	XXX
4. 2004	217,631	159,733	57,898	112,933	79,309	1,370	756	2,031	869	0	35,400	XXX
5. 2005	251,987	175,373	76,613	137,688	90,698	5,242	2,592	2,793	1,124	0	51,309	XXX
6. 2006	271,936	191,467	80,470	154,341	102,626	3,772	2,571	2,226	905	0	54,237	XXX
7. 2007	297,379	195,546	101,833	158,203	97,445	3,100	1,691	2,568	1,111	0	63,624	XXX
8. 2008	260,235	148,263	111,972	156,736	87,835	3,771	1,629	2,865	858	0	73,049	XXX
9. 2009	236,739	128,599	108,140	138,521	68,033	2,631	770	2,241	744	0	73,846	XXX
10. 2010	238,765	133,255	105,509	126,456	63,197	2,778	916	1,864	600	0	66,385	XXX
11. 2011	263,133	153,017	110,116	103,566	57,729	1,258	362	1,301	379	0	47,656	XXX
12. Totals	XXX	XXX	XXX	1,419,323	842,032	36,192	21,558	21,643	7,797	(3)	605,770	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	1,530	1,485	187	0	100	58	28	0	0	0	0	301	XXX
2.	1,345	1,345	44	43	90	90	43	43	0	0	0	1	XXX
3.	2,740	2,740	52	51	4,449	4,449	52	51	0	0	0	1	XXX
4.	391	380	20	20	193	188	20	20	0	0	0	16	XXX
5.	565	565	0	0	52	52	0	0	0	0	0	0	XXX
6.	2,480	2,480	521	521	156	156	0	0	0	0	0	0	XXX
7.	808	808	2,835	2,831	62	61	11	8	6	5	0	8	XXX
8.	2,634	2,581	2,570	2,536	338	335	11	7	147	138	0	102	XXX
9.	2,182	1,614	2,852	2,653	125	117	312	275	292	255	0	849	XXX
10.	11,790	11,082	5,565	4,857	890	620	683	596	696	433	0	2,036	XXX
11.	2,348	1,164	57,356	33,290	1,517	210	1,662	1,112	2,739	503	0	29,343	XXX
12.	28,812	26,244	72,001	46,802	7,972	6,336	2,821	2,113	3,880	1,334	0	32,658	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.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	232	70
2.	196,924	107,932	88,991	60.6	67.0	54.3	0	0		1	0
3.	158,471	107,328	51,143	67.2	72.1	58.7	0	0		1	0
4.	116,957	81,541	35,416	53.7	51.0	61.2	0	0		11	5
5.	146,340	95,031	51,309	58.1	54.2	67.0	0	0		0	0
6.	163,496	109,259	54,237	60.1	57.1	67.4	0	0		0	0
7.	167,592	103,959	63,633	56.4	53.2	62.5	0	0		3	5
8.	169,072	95,921	73,152	65.0	64.7	65.3	0	0		86	16
9.	149,155	74,461	74,694	63.0	57.9	69.1	0	0		767	81
10.	150,723	82,301	68,422	63.1	61.8	64.8	0	0		1,416	620
11.	171,747	94,749	76,999	65.3	61.9	69.9	0	0		25,249	4,094
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	27,767	4,891

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	2	3	4	5	6	7	8	9	10	11	12
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	One Year	Two Year
1. Prior	13,467	8,113	7,018	6,788	13,371	13,285	13,051	11,831	11,869	11,845	(25)	14
2. 2002	97,770	92,086	88,399	87,757	87,551	87,677	87,641	87,639	87,701	87,695	(6)	56
3. 2003	XXX	58,384	55,437	55,972	49,572	49,881	50,165	50,085	49,971	49,892	(79)	(193)
4. 2004	XXX	XXX	44,808	36,692	34,673	34,343	34,277	34,337	34,255	34,254	(1)	(83)
5. 2005	XXX	XXX	XXX	53,123	48,508	50,419	49,787	49,759	49,646	49,640	(6)	(119)
6. 2006	XXX	XXX	XXX	XXX	54,381	55,302	53,679	52,958	52,976	52,916	(61)	(42)
7. 2007	XXX	XXX	XXX	XXX	XXX	60,992	64,206	62,648	62,196	62,175	(21)	(472)
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	67,844	71,868	72,018	71,135	(883)	(732)
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	77,489	74,684	73,161	(1,523)	(4,328)
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,462	66,895	(4,566)	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	73,840	XXX	XXX
12. Totals											(7,170)	(5,900)

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	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	000	2,370	2,731	2,870	7,684	7,680	7,677	10,609	11,412	11,543	XXX	XXX
2. 2002	59,512	85,438	86,865	87,379	87,442	87,635	87,635	87,634	87,700	87,694	XXX	XXX
3. 2003	XXX	28,232	46,405	47,960	48,491	49,002	49,827	49,905	49,905	49,891	XXX	XXX
4. 2004	XXX	XXX	16,468	32,942	34,253	34,219	34,225	34,234	34,234	34,238	XXX	XXX
5. 2005	XXX	XXX	XXX	25,769	45,779	48,992	49,141	49,671	49,625	49,640	XXX	XXX
6. 2006	XXX	XXX	XXX	XXX	28,199	51,689	52,831	52,873	52,968	52,916	XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX	34,599	59,824	62,161	62,188	62,168	XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	39,021	69,263	70,998	71,042	XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	47,409	71,849	72,349	XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	47,555	65,122	XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	46,734	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	2	3	4	5	6	7	8	9	10
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Prior	9,442	4,964	4,008	3,506	5,500	5,406	5,193	232	216	215
2. 2002	36,063	4,837	1,046	340	81	33	4	3	1	1
3. 2003	XXX	24,109	3,098	2,029	437	403	157	111	66	1
4. 2004	XXX	XXX	26,914	1,964	184	49	32	82	0	0
5. 2005	XXX	XXX	XXX	24,764	2,069	226	38	10	0	0
6. 2006	XXX	XXX	XXX	XXX	24,412	2,835	170	13	4	0
7. 2007	XXX	XXX	XXX	XXX	XXX	25,338	2,922	93	6	6
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	26,840	1,380	98	37
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28,792	1,406	236
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,995	795
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,615

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE BCS Insurance Company

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories										
States, etc.	1	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 Premium Written for Federal Purchasing Groups (Included in Col. 2)	
		2 Direct Premiums Written	3 Direct Premiums Earned							
1. Alabama	AL	L	17,935,591	17,940,102	0	10,076,198	12,578,961	7,473,322	0	0
2. Alaska	AK	L	389,290	389,691	0	288,970	328,799	76,219	0	0
3. Arizona	AZ	L	3,392,551	3,283,803	0	2,150,250	2,466,676	965,207	0	0
4. Arkansas	AR	L	2,002,158	2,000,826	0	928,653	910,253	784,639	0	0
5. California	CA	L	24,829,572	23,790,642	0	10,881,128	9,415,808	11,813,056	0	0
6. Colorado	CO	L	4,143,831	3,580,336	0	1,349,285	1,804,498	1,907,735	0	0
7. Connecticut	CT	L	4,359,089	4,304,254	0	2,002,491	2,120,143	757,663	0	0
8. Delaware	DE	L	1,538,509	1,309,440	0	424,618	758,949	414,643	0	0
9. District of Columbia	DC	L	4,183,602	2,654,291	0	1,119,829	296,379	743,435	0	0
10. Florida	FL	L	11,430,031	11,627,314	0	7,253,491	7,428,764	2,243,837	0	0
11. Georgia	GA	L	6,100,509	6,180,298	0	2,832,934	3,388,976	1,524,314	0	0
12. Hawaii	HI	L	131,026	119,707	0	51,134	66,703	108,830	0	0
13. Idaho	ID	L	1,059,716	1,674,328	0	449,600	185,676	378,051	0	0
14. Illinois	IL	L	7,785,790	7,532,833	0	8,016,600	8,045,516	4,184,451	0	0
15. Indiana	IN	L	8,281,782	8,186,291	0	4,023,929	4,193,241	1,662,636	0	0
16. Iowa	IA	L	1,688,374	1,692,054	0	866,586	918,665	351,529	0	0
17. Kansas	KS	L	1,343,922	1,358,330	0	900,969	966,437	366,213	0	0
18. Kentucky	KY	L	1,929,515	1,935,076	0	1,459,479	1,498,004	353,771	0	0
19. Louisiana	LA	L	3,090,560	3,035,523	0	838,879	(1,719,975)	1,808,391	0	0
20. Maine	ME	L	710,903	708,525	0	291,898	400,487	145,269	0	0
21. Maryland	MD	L	2,223,956	2,277,307	0	889,511	452,636	583,620	0	0
22. Massachusetts	MA	L	3,216,682	3,035,102	0	1,222,663	1,688,763	908,954	0	0
23. Michigan	MI	L	6,532,606	6,850,468	0	2,878,890	11,812,566	13,178,162	0	0
24. Minnesota	MN	L	3,805,829	3,796,187	0	1,747,314	1,915,060	1,021,169	0	0
25. Mississippi	MS	L	1,808,590	1,673,644	0	1,764,952	1,430,142	367,008	0	0
26. Missouri	MO	L	4,303,929	4,249,895	0	1,433,597	1,099,799	1,695,913	0	0
27. Montana	MT	L	637,601	637,499	0	477,454	(890,708)	186,195	0	0
28. Nebraska	NE	L	981,019	958,259	0	421,432	602,365	594,592	0	0
29. Nevada	NV	L	1,505,533	1,529,796	0	967,365	968,326	275,141	0	0
30. New Hampshire	NH	L	1,392,157	1,392,922	0	748,140	748,694	231,636	0	0
31. New Jersey	NJ	L	3,679,702	3,562,082	0	7,345,087	6,941,203	1,094,140	0	0
32. New Mexico	NM	L	278,762	274,233	0	131,926	135,024	40,028	0	0
33. New York	NY	L	27,812,223	27,676,824	0	14,855,309	15,579,675	9,296,357	0	0
34. North Carolina	NC	L	5,654,876	5,645,076	0	3,033,838	2,943,082	1,131,823	0	0
35. North Dakota	ND	L	255,264	256,118	0	204,624	325,249	199,539	0	0
36. Ohio	OH	L	6,771,707	6,864,220	0	4,640,379	4,495,647	1,199,914	0	0
37. Oklahoma	OK	L	2,131,006	2,129,578	0	1,049,031	1,118,201	436,151	0	0
38. Oregon	OR	L	1,591,603	1,575,879	0	841,745	825,843	275,009	0	0
39. Pennsylvania	PA	L	10,477,902	9,707,950	0	3,870,765	2,740,705	4,745,529	0	0
40. Rhode Island	RI	L	11,659,595	11,448,697	0	6,611,640	4,518,846	2,558,564	0	0
41. South Carolina	SC	L	3,761,640	3,757,652	0	3,800,349	3,861,277	1,418,620	0	0
42. South Dakota	SD	L	279,722	280,251	0	177,904	184,978	42,979	0	0
43. Tennessee	TN	L	4,060,702	4,065,265	0	2,129,947	1,437,274	1,744,021	0	0
44. Texas	TX	L	16,275,469	16,277,333	0	7,068,140	7,112,717	3,174,382	0	0
45. Utah	UT	L	1,594,047	1,594,770	0	1,287,511	1,287,473	142,253	0	0
46. Vermont	VT	L	300,214	299,573	0	128,508	117,031	449,569	0	0
47. Virginia	VA	L	5,656,714	5,678,627	0	2,446,611	2,744,598	1,066,942	0	0
48. Washington	WA	L	9,691,742	9,712,571	0	4,517,725	4,936,101	2,126,229	0	0
49. West Virginia	WV	L	694,998	587,014	0	387,522	384,995	199,906	0	0
50. Wisconsin	WI	L	4,200,241	4,202,162	0	3,391,805	3,472,208	1,073,606	0	0
51. Wyoming	WY	L	982,640	983,598	0	512,043	624,471	398,312	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	L	50,001	49,886	0	0	(28,348)	690,196	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Totals	(a)	52	250,594,990	246,334,102	0	137,190,652	141,638,853	90,609,667	0	0
DETAILS OF WRITE-INS										
5801.		XXX	0	0	0	0	0	0	0	0
5802.		XXX	0	0	0	0	0	0	0	0
5803.		XXX	0	0	0	0	0	0	0	0
5898. Sum. 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 + 5898) (Line 58 above)		XXX	0	0	0	0	0	0	0	0

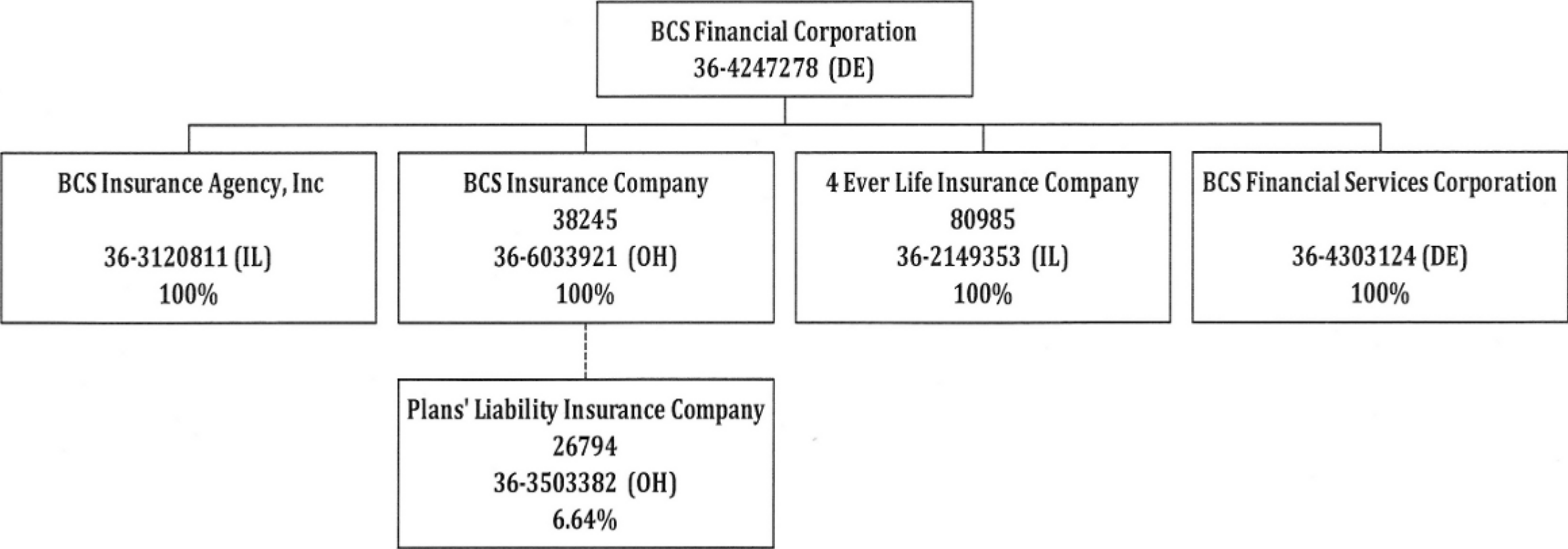
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

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

For group accident and health business BCS Insurance Company allocates premium by either the group situs state or by the insured member state depending upon the specific type of accident and health business. The group is the entity, usually an employer, that the policy is issued to and the insured member is the participant, usually an employee, to whom a certificate is issued to. For travel accident business the premium is allocated by state based upon the insured state of residence. The insured is the individual that purchases the travel accident coverage through a particular entity. For professional liability business the premium is allocated by the group situs state. The group is a corporate entity that purchases the policy.

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



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