

**QUARTERLY STATEMENT**

**OF THE**

**DEALERS ASSURANCE COMPANY**

of **UPPER ARLINGTON**

in the state of **OHIO**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FOR THE QUARTER ENDED**

**March 31, 2012**

**PROPERTY AND CASUALTY**

**2012**



16705201220100101

# QUARTERLY STATEMENT

**AS OF MARCH 31, 2012**  
OF THE CONDITION AND AFFAIRS OF THE

## Dealers Assurance Company

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	16705	Employer's ID Number	34-6513705
Organized under the Laws of Country of Domicile	Ohio US		State of Domicile or Port of Entry Ohio			
Incorporated/Organized Statutory Home Office	August 2, 1935 3518 Riverside Drive (Street and Number)			Commenced Business		August 2, 1935 Upper Arlington, OH 43221 (City or Town, State and Zip Code)
Main Administrative Office	3518 Riverside Drive Upper Arlington, OH 43221 (Street and Number)			800-282-8913 (Area Code) (Telephone Number)		
Mail Address	3518 Riverside Drive (Street and Number or P.O. Box)			Upper Arlington, OH 43221 (City or Town, State and Zip Code)		
Primary Location of Books and Records	3518 Riverside Drive (Street and Number)			Upper Arlington, OH 43221 (City or Town, State and Zip Code)		
Internet Website Address	www.dealersassurance.com					
Statutory Statement Contact	Daniel George dgeorge@dealersassurance.com (Name)		800-282-8913-208 (Area Code) (Telephone Number) (Extension) 614-459-2665 (Fax Number)			
	(E-Mail Address)					

## OFFICERS

	Name	Title
1.	Kirk Alan Borchardt	CEO/President
2.	Daniel Eric George	CFO/Secretary
3.	Sharon Mae Spohn	Treasurer

## VICE-PRESIDENTS

State of Ohio

County of Franklin ss

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

(Signature)  
Kirk Alan Borchardt  
(Printed Name)  
1.  
CEO/President  
(Title)

(Signature)  
Daniel Eric George  
(Printed Name)  
2.  
CFO/Secretary  
(Title)

his an original filing?  Yes  No

o: 1. State the amendment number . . . . .  
2. Date filed . . . . .  
3. Number of pages attached . . . . .

Subscribed and sworn to before me this  
11th day of May \_\_\_\_\_, 2012

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	60,736,060		60,736,060	57,592,110
2. Stocks:				
2.1 Preferred stocks	3,825,404		3,825,404	3,430,747
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 4,024,928), cash equivalents (\$ 0), and short-term investments (\$ 1,888,942)	5,913,870		5,913,870	10,591,583
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities	228		228	
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	70,475,562		70,475,562	71,614,440
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	464,120		464,120	540,953
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,058,376		2,058,376	2,941,331
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				177,553
18.2 Net deferred tax asset	483,146		483,146	607,353
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,240,147	1,240,147		
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	809,736	14,212	795,524	538,859
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	75,531,087	1,254,359	74,276,728	76,420,489
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	75,531,087	1,254,359	74,276,728	76,420,489

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Accounts Receivable	795,524		795,524	532,449
2502. Prepaid Expenses	14,212	14,212		
2503. Dividend Receivable				6,410
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	809,736	14,212	795,524	538,859

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 0)	19,851	429,981
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	615	1,691
4. Commissions payable, contingent commissions and other similar charges	399,735	457,398
5. Other expenses (excluding taxes, licenses and fees)	365,020	507,642
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	344,024	669,391
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	244,700	
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 143,518,804 and including warranty reserves of \$ 154,619,586 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	13,977,870	13,674,209
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,994,639	1,205,678
13. Funds held by company under reinsurance treaties	4,270,774	4,433,303
14. Amounts withheld or retained by company for account of others	7,372,593	6,867,634
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		4,017,882
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	28,989,821	32,264,809
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	28,989,821	32,264,809
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,200,990	4,200,990
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes	3,000,000	3,000,000
34. Gross paid in and contributed surplus	9,232,810	9,232,810
35. Unassigned funds (surplus)	28,853,107	27,721,880
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	45,286,907	44,155,680
38. Totals (Page 2, Line 28, Col. 3)	74,276,728	76,420,489

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

**STATEMENT OF INCOME**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 34,859,362)	21,019,487	16,931,295	9,179,007
1.2 Assumed (written \$ 6,413,866)	540,723	165	
1.3 Ceded (written \$ 38,495,727)	19,110,729	14,966,170	
1.4 Net (written \$ 2,777,501)	2,449,481	1,965,290	9,179,007
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct	13,874,820	10,871,700	860,740
2.2 Assumed	203,361		
2.3 Ceded	13,962,769	10,773,897	
2.4 Net	115,412	97,803	860,740
3. Loss adjustment expenses incurred	70,108	57,132	378,132
4. Other underwriting expenses incurred	1,264,746	517,672	3,455,525
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	1,450,266	672,607	4,694,397
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	999,215	1,292,683	4,484,610
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	294,422	338,924	1,218,831
10. Net realized capital gains (losses) less capital gains tax of \$ 0	(82,682)	39,826	752,910
11. Net investment gain (loss) (Lines 9 + 10)	211,740	378,750	1,971,741
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums	2,789	13,396	28,307
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	2,789	13,396	28,307
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,213,744	1,684,829	6,484,658
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,213,744	1,684,829	6,484,658
19. Federal and foreign income taxes incurred	325,076	596,511	2,024,233
20. Net income (Line 18 minus Line 19) (to Line 22)	888,668	1,088,318	4,460,425
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	44,155,680	39,586,091	39,586,091
22. Net income (from Line 20)	888,668	1,088,318	4,460,425
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	373,959	193,437	(288,241)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(124,207)	8,261	(235,259)
27. Change in nonadmitted assets	(7,193)	12,809	358,664
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,131,227	1,289,825	4,569,589
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	45,286,907	40,875,916	44,155,680

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page	<b>NONE</b>		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Roadside Commission	2,627	10,507	16,813
1402. Transfer Fee Income	100	90	390
1403. Misc. Income	62	2,799	11,104
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	2,789	13,396	28,307
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	<b>NONE</b>		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	4,425,058	1,733,474	9,212,305
2. Net investment income	560,443	356,154	1,393,936
3. Miscellaneous income	2,789	13,396	28,307
4. Total (Lines 1 to 3)	4,988,290	2,103,024	10,634,548
5. Benefit and loss related payments	789,400	102,478	445,536
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	1,900,532	1,190,565	3,660,869
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		200,000	2,395,433
10. Total (Lines 5 through 9)	2,689,932	1,493,043	6,501,838
11. Net cash from operations (Line 4 minus Line 10)	2,298,358	609,981	4,132,710
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	1,863,296	4,510,419	29,224,657
12.2 Stocks	406,045	307,847	2,911,844
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			(288,241)
12.7 Miscellaneous proceeds		249,694	4,594,131
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,269,341	5,067,960	36,442,391
13. Cost of investments acquired (long-term only):			
13.1 Bonds	5,157,492	4,772,014	32,976,754
13.2 Stocks	412,308	306,715	2,910,435
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	4,128,142	194,242	
13.7 Total investments acquired (Lines 13.1 to 13.6)	9,697,942	5,272,971	35,887,189
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(7,428,601)	(205,011)	555,202
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders	452,530	(767,293)	1,801,179
16.6 Other cash provided (applied)			
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	452,530	(767,293)	1,801,179
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(4,677,713)	(362,323)	6,489,091
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	10,591,583	4,102,492	4,102,492
19.2 End of period (Line 18 plus Line 19.1)	5,913,870	3,740,169	10,591,583

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

20.0001			
20.0002			
20.0003			

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### a. Accounting Practices

The accompanying financial statements of Dealers Assurance Company have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the State of Ohio. The company adopted codification as of 01/01/01.

#### 1b. – 5a. No changes to note

#### 5d. Loan-Backed Securities

1. Bloomberg is used as a source for the prepayment factors.
2. – 4. Not applicable, no permanently impaired bonds.
5. No impairments exist other than interest rate related declines classified as temporary.

#### 5e.-8. No changes to note

#### 9. Income Taxes

##### A. The components of the net deferred tax assets/(liability) at March 31, 2012 are as follows:

1.

	3/31/12			12/31/2011			Change		
	Capital	2012 Total	Ordinary	Capital	2011 Total	Ordinary	Capital	Total	
a Gross Deferred Assets	972,713	248,697	1,221,410	975,305	248,697	1,224,002	(2,592)	0	(2,592)
b Statutory valuation allowance adjustment									
c Adjusted Gross									
d Deferred tax Asset	972,713	248,697	1,221,410	975,305	248,697	1,224,002	(2,562)	0	(2,562)
e Deferred tax liabilities	(120,442)	0	(120,442)	(12,249)	0	(12,249)	(108,193)	0	(108,193)
f Subtotal (Net Deferred tax Assets)	852,271	248,697	1,100,968	963,056	248,697	1,211,753	(416,107)	0	(110,785)
g Deferred Tax Assets Nonadmitted	617,822	0	617,822	604,400	0	604,400	13,422	0	13,422
h Net Admitted Deferred Tax Asset	234,449	248,697	483,146	358,656	248,697	607,353	(124,207)	0	(120,207)

	3/31/12			12/31/2011			Change		
	Ordinary	Capital	2012 Total	Ordinary	Capital	2011 Total	Ordinary	Capital	Total

#### Admission Calculation Components

##### SSAP No 10R Paragraphs 10a, 10b and 10c:

a SSAP No 10R	0	0	0	0		0	0	0	0
b SSAP No 10R									
Paragraph 10b (the lesser of Paragraph 10b i and 10b ii below)	234,448	0	234,448	358,656	0	358,656	(124,207)	0	(124,207)
c SSAP No 10R									
paragraph 10b i	0	0	0	0	0	0	0	0	0
d SSAP No 10R									
Paragraph 10b ii	0	0	0	0	0	0	0	0	0
e SSAP No 10R									
Paragraph 10c									
f Total (4a+4b+4e)	234,448		234,448	358,656		358,656	(124,207)	0	(124,207)

#### Admission calculation Components

##### SSAP No 10R Paragraph 10e

g SSAP No 10R									
Paragraph 10e i	248,697	248,697		248,697	248,697		0	0	0
h SSAP No 10R									
Paragraph 10e ii (the lesser Paragraph of 10e ii a and 10e ii b below)									
i SSAP No 10R									
Paragraph 10e ii a									
j SSAP No 10R									
Paragraph 10e ii b									
k SSAP No 10r Paragraph 10e ii									
l Total (4g+4h+4k)	248,697	248,697		248,697	248,697		0	0	0

#### Used in SSAP No 10R Paragraph 10d

m Total Adjusted Capital	45,286,907		44,155,680		1,131,227
n Authorized Control level	6,450,667		6,450,667		0

**NOTES TO FINANCIAL STATEMENTS**

5.

	3/31/12			12/31/2011			Change		
	Ordinary	Capital	2011 Total	Ordinary	Capital	2010 Total	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>									
a Adjusted Gross DTA's (% of Total Adjusted Gross DTA's)	0%	20.36%	20.36%	0%	20.32%	20.32%	0%	.04%	.04%
b Net Admitted Adjusted Gross DTA's (% of Total Admitted Adjusted Gross DTA's)	0%	20.36%	20.36%	0%	20.32%	20.32%	0%	.04%	.04%

6.

	3/31/12			12/31/2011			Change		
	Ordinary	Capital	2012 Total	Ordinary	Capital	2011 Total	Ordinary	Capital	Total
<b>SSAP No 10R Paragraphs 10a, 10b, and 10c</b>									
a Admitted Deferred Tax Asset	234,449	0	234,449	358,656	0	358,656	(124,207)	0	(124,207)
b Admitted Assets			74,276,728			76,420,489			(2,143,761)
c Adjusted Statutory Surplus			45,286,907			44,155,680			1,131,227
d Total Adjusted Capital from DTA's			373,718			373,718			45,770
<b>Increases due to SSAP 10R Paragraph 10e</b>									
e Admitted Deferred Assets	248,697	248,697		248,697	248,697		0	0	0
f Admitted Assets			74,279,728			76,420,489			(2,143,761)
g Statutory Surplus			45,286,907			44,155,680			1,131,227

B Deferred tax liabilities are not recognized for the following amounts:

The Company did not have any deferred tax liabilities that were not recognized.

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

	2012	2011
Federal	\$ 412,253	\$2,024,233
Foreign	0	0

Current income taxes incurred \$ 412,253 \$2,024,233

The main components of the 2012 deferred tax amounts are as follows:

	DTA's	3/31/2012	12/31/2011
Change in unearned premium reserves		950,495	929,846
Reserve Discount		1,825	6,113
Accrued Vacation		20,393	20,393
Capital Loss Carry Forward		248,697	248,697
Unrealized Capital Losses		-	18,953
Total DTA's		1,221,410	1,224,002
DTA's Nonadmitted		617,822	604,400
Admitted Deferred Tax Assets		634,664	619,602
DTL's			
Unrealized Capital gains		108,193	-
Discounted Bonds		12,249	12,249
Total DTL's		120,442	12,249
Net Admitted Deferred Tax Asset		483,146	607,353

The changes in main components of DTA's and DTL's are as follows:

	2012	2011	Change
DTA's resulting from book/tax differences in Reserves	950,498	929,846	20,649
Reserve Discount	1,825	6,113	(4,228)
Accrued Vacation	20,393	20,393	-
Capital Loss Carry Forward	248,697	248,697	-
Unrealized Capital Losses	-	18,953	18,953
Total DTA's	1,221,410	1,224,002	(2,592)
DTA's Nonadmitted	617,822	604,400	13,422
DTL's resulting from book/tax differences in Unrealized Capital Gains	108,193	-	108,193
Discount on Bonds	12,249	12,249	-
Total DTL's	120,442	12,249	108,493

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

	Amount	Tax Effect
Income before taxes	1,213,744	325,076
Book over tax reserves	60,732	20,649
Dividends received deduction	(55,223)	(18,776)
Accrued Vacation	(14,325)	(4,871)
Discounting on Bonds	21,774	7,403
Other	15,220	5,175
Capital loss carry forward	-	-
Total adjustments	28,178	9,581

## NOTES TO FINANCIAL STATEMENTS

Total Income	1,241,922	334,657
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E. 1. At December 31, 2011, the Company had \$0 of operating loss carry forward.  
 2. The following are income taxes incurred in the current and prior year that will be available for recoupment in the event of future net losses  
 2011 \$2,108,672  
 2012 \$ 325,076  
 3. The Company had no protective tax deposits as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2011 or March 31, 2012.

F. Dealers Assurance Company federal income tax return is consolidated with Dealers Alliance Corporation and DAC Insurance Agency, Inc. A written agreement exists setting forth the manner in which the federal income tax is allocated to each entity. The federal income tax allocated to this company is based on its portion of the net consolidated income.

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

A.- F. No changes to Note

G. The parent company, Dealers Alliance Corporation, is a non-insurance entity. The Company had no transactions other than cost allocation with its parent company. Through 09/30/10 (and prior years) Dealers Assurance Company provided funds for federal income tax deposits (on a consolidated basis). In prior years other companies included in consolidated tax return reimbursed their portion of federal income tax deposits on a quarterly basis. However, at March 31, 2012, there was approximately \$1.2M receivable that had not been reimbursed by Dealers Alliance Corporation. Dealers Assurance Company has reflected that receivable on Asset line 23 – Receivables from parent, subsidiaries and affiliates. The Company has listed this receivable as a non admitted asset.

H-L Dealers Assurance Company holds no investments in its parent company or affiliates.

**11. – 16.**

No changes to note.

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

The Company does not have any sales or transfers to report.

**18. – 19.**

No changes to note.

**20. Fair Value Measurements**

A.

**(1) Assets Measured at Fair Value on a Recurring Basis**

	(1)	(2)	(3) (Level 2)	(4) (Level 3)	(5)
	Description	(Level 1)			Total
a.	Assets at fair value				
	Preferred Stock				
	Bonds				
	Common Stock (Ind & Misc)	\$ 3,825,404			\$ 3,825,404
	Derivative assets				
	Separate account assets				
	Total assets at fair value	\$ 3,825,404	\$ -	\$ -	\$ 3,825,404
b.	Liabilities at fair value	\$			\$
	Total liabilities at fair value	\$			\$

(2) There have been no significant transfers between level 1 and 2.

(3-4) Assets measured at Fair Value on a recurring basis with significant unobservable inputs (level 3)  
 NONE

**21. – 24.**

No changes to note.

**25. Change in Incurred Losses and Loss Adjustment Expenses**

Reserves as of December 31, 2011 were \$431,672. As of March 31, 2012 \$422,157 was paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves for prior year are now \$1,300. There was no re-estimation of unpaid claims and claim adjustment expenses. There has been a \$8,186 prior year development. Business written by DAC is related to service contracts issued on an assortment of consumer goods, but primarily, automobile service contracts. Historically, losses on this coverage are settled within 90 days of incurred date (98.7%); and the balance is settled within 180 days of incurred date.

**26. – 35.** No changes to note.

**36. Financial Guaranty Insurance**

The company does not write financial guaranty insurance.

# GENERAL INTERROGATORIES

## PART 1 – COMMON INTERROGATORIES

### GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

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

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

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

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

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ ] N/A [X]  
If yes, attach an explanation.

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

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/15/2011

6.4 By what department or departments?  
Ohio Department of Insurance  
.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

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

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

7.2 If yes, give full information  
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

## GENERAL INTERROGATORIES

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No [ ]

9.11 If the response to 9.1 is No, please explain:

.....

9.2 Has the code of ethics for senior managers been amended?

Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

## FINANCIAL

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

Yes [ ] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ \_\_\_\_\_

## INVESTMENT

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

Yes [ ] No [X]

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

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$ \_\_\_\_\_

## GENERAL INTERROGATORIES

13. Amount of real estate and mortgages held in short-term investments:	\$ _____																								
14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?																									
Yes [ ] No [X]																									
14.2 If yes, please complete the following:																									
<table border="0" style="width: 100%;"> <tr> <td style="width: 15%; text-align: right;">1</td> <td style="width: 15%; text-align: right;">2</td> </tr> <tr> <td style="text-align: right;">Prior Year-End</td> <td style="text-align: right;">Current Quarter</td> </tr> <tr> <td style="text-align: right;">Book/Adjusted</td> <td style="text-align: right;">Book/Adjusted</td> </tr> <tr> <td style="text-align: right;">Carrying Value</td> <td style="text-align: right;">Carrying Value</td> </tr> </table>	1	2	Prior Year-End	Current Quarter	Book/Adjusted	Book/Adjusted	Carrying Value	Carrying Value																	
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15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?																									
Yes [ ] No [X]																									
15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?																									
Yes [ ] No [ ]																									
If no, attach a description with this statement.																									
16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?																									
Yes [X] No [ ]																									
16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:																									
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16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:																									
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.....	.....	.....																							
.....	.....	.....																							
16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?																									
Yes [ ] No [X]																									
16.4 If yes, give full and complete information relating thereto:																									
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%; text-align: center;">1 Old Custodian</th> <th style="width: 25%; text-align: center;">2 New Custodian</th> <th style="width: 25%; text-align: center;">3 Date of Change</th> <th style="width: 25%; text-align: center;">4 Reason</th> </tr> </thead> <tbody> <tr> <td>.....</td> <td>.....</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>.....</td> <td>.....</td> <td>.....</td> <td>.....</td> </tr> </tbody> </table>		1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason	.....	.....	.....	.....	.....	.....	.....	.....												
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.....	.....	.....	.....																						
.....	.....	.....	.....																						

## GENERAL INTERROGATORIES

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

1 Central Registration Depository	2 Name(s)	3 Address
2124910 5198	KeyBank Merrill Lynch	Columbus, OH Charlotte, NC

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No [ ]

17.2 If no, list exceptions:

.....

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?  Yes  No  N/A  X  
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?  Yes  No  X  
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled?  Yes  No  X

3.2 If yes, give full and complete information thereto:

.....  
.....  
.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero?  Yes  No  X

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
TOTAL										

5. Operating Percentages:

5.1. A&H loss percent  %

5.2. A&H cost containment percent  %

5.3. A&H expense percent excluding cost containment expenses  %

6.1 Do you act as a custodian for health savings accounts?  Yes  No  X

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$

6.3 Do you act as an administrator for health savings accounts?  Yes  No  X

6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$

## **SCHEDULE F - CEDED REINSURANCE**

## Showing All New Reinsurers - Current Year to Date

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	L	1,008,195	922,732	399,091	400,286	68,530
2. Alaska	AK	L					61,098
3. Arizona	AZ	L	316,365	136,943	56,289	19,667	9,983
4. Arkansas	AR	L	734,631	613,956	277,085	165,218	36,881
5. California	CA	L	3,697,074	3,235,499	1,197,797	1,072,097	334,450
6. Colorado	CO	L	5,646,193	1,466,835	1,213,557	432,056	190,489
7. Connecticut	CT	L	472,815	327,293	266,807	148,731	33,494
8. Delaware	DE	L	98,732	155,135	59,952	42,684	14,466
9. District of Columbia	DC	L					5,386
10. Florida	FL	L	800,239	1,064,733	627,341	635,896	133,088
11. Georgia	GA	L	999,967	129,184	548,826	38,449	121,769
12. Hawaii	HI	N					8,187
13. Idaho	ID	L	397	455			54
14. Illinois	IL	L	251,329	(100,202)	104,355	(38,671)	13,563
15. Indiana	IN	L	108,640	64,291	50,803	18,957	4,235
16. Iowa	IA	L	65,699	55,923	16,903	26,831	4,191
17. Kansas	KS	L	71,104	49,198	19,141	23,833	4,720
18. Kentucky	KY	L	123,351	66,018	29,511	37,959	6,136
19. Louisiana	LA	L	590,271	658,478	306,721	265,269	51,896
20. Maine	ME	L	110,386	131,041	74,041	60,914	10,246
21. Maryland	MD	L	425,749	348,830	196,386	140,715	27,735
22. Massachusetts	MA	L	299,983	174,411	111,272	34,539	11,129
23. Michigan	MI	L	2,003,476	1,605,854	1,793,528	1,106,036	249,295
24. Minnesota	MN	L	160,449	160,407	108,154	108,349	15,906
25. Mississippi	MS	L	958,719	854,049	326,983	236,561	46,591
26. Missouri	MO	L	501,547	847,223	248,780	327,984	45,233
27. Montana	MT	L	123,835	79,600	21,413	14,768	3,940
28. Nebraska	NE	L	35,652	16,115	78,217	201,081	13,901
29. Nevada	NV	L	122,221	129,692	87,362	61,840	12,898
30. New Hampshire	NH	L	106,229	34,649	42,023	15,883	3,154
31. New Jersey	NJ	L	267,627	241,990	125,693	92,721	21,048
32. New Mexico	NM	L	913,504	927,504	60,229	67,229	10,410
33. New York	NY	L	1,030,988	1,510,098	910,139	1,194,517	157,171
34. North Carolina	NC	L	1,016,699	494,646	227,778	208,527	45,663
35. North Dakota	ND	L	23,755	11,000	15,683	457	764
36. Ohio	OH	L	761,363	669,746	741,933	209,522	33,869
37. Oklahoma	OK	L	121,076	127,896	62,127	57,185	9,696
38. Oregon	OR	L	40,568	29,808	8,501	8,658	5,462
39. Pennsylvania	PA	L	1,083,183	764,061	287,297	182,979	47,947
40. Rhode Island	RI	L	655	905	2,456		361
41. South Carolina	SC	L	78,376	9,000	8,654	3,985	3,240
42. South Dakota	SD	L	5,563	11,585	3,135	8,635	1,032
43. Tennessee	TN	L	849,917	753,215	246,564	255,614	54,937
44. Texas	TX	L	4,989,180	2,662,434	1,888,908	1,492,420	358,391
45. Utah	UT	L	2,643	4,175	898		186
46. Vermont	VT	L	76,533	59,346	57,268	35,615	5,451
47. Virginia	VA	L	344,483	418,929	188,566	164,160	29,034
48. Washington	WA	L	3,072,118	3,615,618	1,048,438	1,226,830	209,287
49. West Virginia	WV	L	128,265	117,018	39,305	40,135	7,258
50. Wisconsin	WI	L	163,143	98,202	60,357	29,976	6,993
51. Wyoming	WY	L	56,475	48,928	28,554	4,904	1,812
52. American Samoa	AS	N					
53. Guam	GU	N					
54. Puerto Rico	PR	N					
55. U.S. Virgin Islands	VI	N					
56. Northern Mariana Islands	MP	N					
57. Canada	CN	N					
58. Aggregate Other Alien	OT	XXX					
59. Totals	(a) 50		34,859,362	25,804,446	14,274,821	10,882,001	2,477,957
							1,879,877

DETAILS OF WRITE-INS							
5801.		XXX					
5802.		XXX					
5803.		XXX					
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX					
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX					

**NONE**

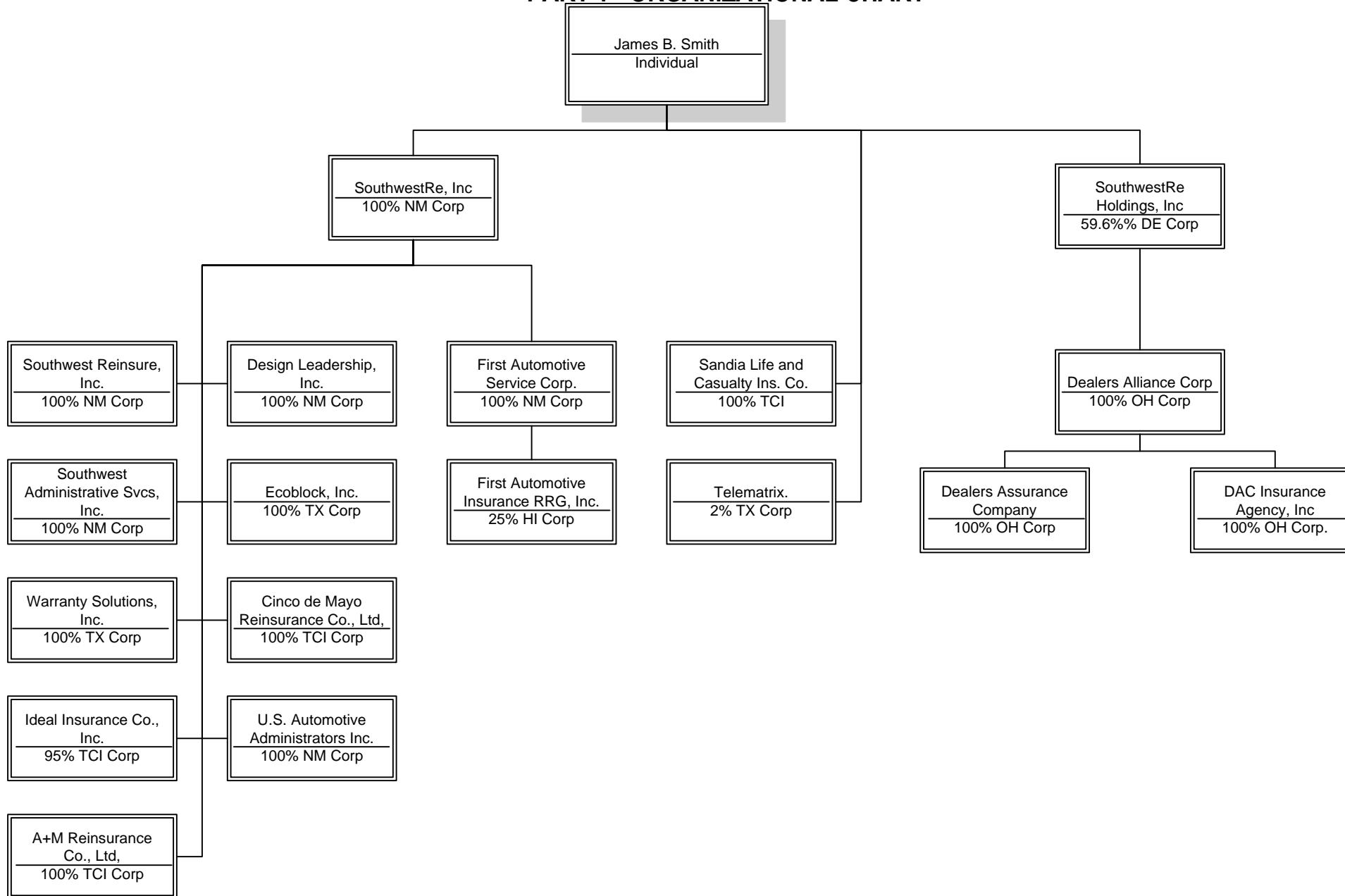
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG: (R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer:

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

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

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

### PART 1 - ORGANIZATIONAL CHART



## SCHEDULE Y

## PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
		00000	20-0833446	0	0	Southwest Re Holdings, Inc		DE	UIP	Southwest Re Holdings, Inc	Ownership	59.6	James B. Smith	0
		00000	31-0906655	0	0	Dealers Alliance Corp		OH	UDP	Southwest Re Holdings, Inc	Ownership	59.6	James B. Smith	0
		16705	34-6513705	0	0	Dealers Assurance Company		OH		Southwest Re Holdings, Inc	Ownership	59.6	James B. Smith	0
		00000	31-0908416	0	0	DAC Insurance Agency, Inc		OH	IA	Southwest Re Holdings, Inc	Ownership	59.6	James B. Smith	0

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Asterik	Explanation
	<b>NONE</b>

**NONE**

**PART 1 – LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence	151,147	432	0.3	
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1. 19.2 Private passenger auto liability				
19.3. 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit	183,982	96,956	52.7	
29. International				
30. Warranty	20,684,358	13,766,083	66.6	64.8
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	21,019,487	13,863,471	66.0	64.2

DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page	<b>NONE</b>		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

**PART 2 – DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence			184,468
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence	236,267	236,267	
18.2 Products liability-claims made			
19.1. 19.2 Private passenger auto liability			
19.3. 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit	524,643	524,643	
29. International			
30. Warranty	34,098,453	34,098,453	25,619,976
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	34,859,363	34,859,363	25,804,444

DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page	<b>NONE</b>		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

**PART 3 (000 omitted)****LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2012 Loss and LAE Payments on Unreported Claims as of Prior Year-End	6 Total 2012 Loss and LAE Payments (Cols 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss & LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2009 + prior													
2. 2010													
3. Subtotals 2010 + prior													
4. 2011	413	18	431	409	12	421	1		1	2	(3)	(5)	(8)
5. Subtotals 2011 + prior	413	18	431	409	12	421	1		1	2	(3)	(5)	(8)
6. 2012	XXX	XXX	XXX	XXX	174	174	XXX	3	16	19	XXX	XXX	XXX
7. Totals	413	18	431	409	186	595	1	3	17	21	(3)	(5)	(8)

## 8. Prior Year-End Surplus As

Regards Policyholders	44,156	Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
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1. -0.726 2. -27.778 3. -1.856

Col. 13, Line 7

Line 8

4. -0.018

## **SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

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

	<u>Response</u>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO

### Explanation:

Question 1: Not Applicable

Question 2: Not Applicable

Question 3: Not Applicable

Question 4: Not Applicable

**Bar Code:**



16705201249000010



16705201245500010



16705201236500010



16705201250500010

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**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A - VERIFICATION**

## Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

**NONE****SCHEDULE B - VERIFICATION**

## Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

**NONE****SCHEDULE BA - VERIFICATION**

## Other Long-Term Invested Assets

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

**NONE****SCHEDULE D - VERIFICATION**

## Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	61,022,847	57,041,208
2. Cost of bonds and stocks acquired	5,569,799	35,887,188
3. Accrual of discount	8,305	32,464
4. Unrealized valuation increase (decrease)	373,959	(288,241)
5. Total gain (loss) on disposals	14,438	850,029
6. Deduct consideration for bonds and stocks disposed of	2,269,338	32,136,499
7. Deduct amortization of premium	158,546	266,182
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		97,120
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	64,561,464	61,022,847
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	64,561,464	61,022,847

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a) .....	63,053,106	5,706,742	9,746,360	(143,818)	58,869,670			63,053,106
2. Class 2 (a) .....	2,676,461	1,085,238		(6,364)	3,755,335			2,676,461
3. Class 3 (a) .....								
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....								
7. Total Bonds .....	65,729,567	6,791,980	9,746,360	(150,182)	62,625,005			65,729,567
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	65,729,567	6,791,980	9,746,360	(150,182)	62,625,005			65,729,567

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 243,309; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

**SCHEDULE DA - PART 1**

## Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	1,888,943	XXX	1,888,943	15	

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	8,137,458	2,928,765
2. Cost of short-term investments acquired	1,634,490	14,992,192
3. Accrual of discount	59	22
4. Unrealized valuation increase (decrease)		(20)
5. Total gain (loss) on disposals		20
6. Deduct consideration received on disposals	7,883,065	9,783,368
7. Deduct amortization of premium		153
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	1,888,942	8,137,458
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	1,888,942	8,137,458

**SCHEDULE DB - PART A - VERIFICATION****Options, Caps, Floors, Collars, Swaps and Forwards**

1. Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year) .....
2. Cost Paid/(Consideration Received) on additions .....
3. Unrealized Valuation increase/(decrease) .....
4. Total gain (loss) on termination recognized .....
5. Considerations received/(paid) on terminations .....
6. Amortization .....
7. Adjustment to the Book/Adjusted Carrying Value of hedged item .....
8. Total foreign exchange change in Book/Adjusted Carrying Value .....
9. Book/Adjusted Carrying Value at End of Current Period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8) .....
10. Deduct nonadmitted assets .....
11. Statement value at end of current period (Line 9 minus Line 10) .....

**NONE****SCHEDULE DB - PART B - VERIFICATION****Future Contracts**

1. Book/Adjusted carrying value, December 31 of prior year .....
2. Net cash deposits (Section 1, Broker Name/Net Cash Deposits Footnote) .....
- 3.1 Change in variation margin on open contracts .....
- 3.2 Add:
  - Change in adjustment to basis of hedged item
  - 3.21 Section 1, Column 17, current year to date minus .....
  - 3.22 Section 1, Column 17, prior year .....
- 3.3 Subtotal (Line 3.1 minus Line 3.2) .....
- 4.1 Variation margin on terminated contracts during the year .....
- 4.2 Less:
  - 4.21 Amount used to adjust basis of hedged item .....
  - 4.22 Amount recognized .....
- 4.3 Subtotal (Line 4.1 minus Line 4.2) .....
5. Dispositions gains (losses) on contracts terminated in prior year:
  - 5.1 Recognized .....
  - 5.2 Used to adjust basis of hedged items .....
6. Book/Adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2) .....
7. Deduct total nonadmitted amounts .....
8. Statement value at end of current period (Line 6 minus Line 7) .....

**NONE      Schedule DB - Part C - Section 1**

**NONE      Schedule DB - Part C - Section 2**

**NONE      Schedule DB - Verification**

**SCHEDULE E - VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of cash equivalents acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

**NONE**

**NONE      Schedule A - Part 2 and 3**

**NONE      Schedule B - Part 2 and 3**

**NONE      Schedule BA - Part 2 and 3**

**SCHEDULE D - PART 3**

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
31398A-T4-4	Fannie Mae 1.50%		01/05/2012	Key Trust Co Of Ohio, Na		310,466	305,000.00	178	1
0599999	Total Bonds U. S. Government				XXX	310,466	305,000.00	178	XXX
31368H-MY-6	FNMA Pool #190375		03/27/2012	BlackRock LC-C V/Merrill	559,424	511,327.56		2,109	1
31403C-6L-0	FNMA Pool #745275		03/27/2012	BlackRock LC-C V/Merrill	573,299	529,148.65		1,984	1
31416B-QD-3	FNMA Pool #995152		03/27/2012	BlackRock LC-C V/Merrill	572,434	523,368.02		2,159	1
3138EG-FA-7	FNMA Pool #AL0160		03/27/2012	BlackRock LC-C V/Merrill	534,601	500,650.73		1,690	1
3199999	U.S. Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				XXX	2,239,758	2,064,494.96	7,942	XXX
067901-AF-5	Barrick Gold Corp	1	03/07/2012	BlackRock LC-C V/Merrill	317,145	300,000.00		2,465	1FE
14040H-AY-1	Capital One Financial Co. 4.75		01/30/2012	Undefined	343,389	325,000.00		772	1
260543-CF-8	Dow Chemical Co		03/27/2012	BlackRock LC-C V/Merrill	361,081	350,000.00		5,374	2FE
460146-CG-6	International Paper Co		03/27/2012	BlackRock LC-C V/Merrill	371,154	350,000.00		1,986	2FE
46625H-HU-7	JP Morgan Chase & Co		03/19/2012	Key Trust Co Of Ohio, Na	513,900	500,000.00		9,267	1FE
55616X-AF-4	Macys Retail Holdings Inc		03/27/2012	BlackRock LC-C V/Merrill	353,003	350,000.00		2,826	2FE
87612E-AZ-9	Target Corp		03/27/2012	BlackRock LC-C V/Merrill	347,596	350,000.00		2,143	1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				XXX	2,607,268	2,525,000.00	24,833	XXX
8399997	Total Bonds Part 3				XXX	5,157,492	4,894,495	32,953	XXX
8399998	Summary Item from Part 5 for Bonds				XXX	XXX	XXX	XXX	XXX
8399999	Total Bonds				XXX	5,157,492	4,894,494.96	32,953	XXX
002824-10-0	Abbott Laboratories		02/13/2012	VARIOUS	570,000	31,593			L
G1151C-10-1	Accenture PLC		03/05/2012	BlackRock LC-C V/Merrill	295,000	17,877			L
037833-10-0	Apple Inc	R	03/05/2012	BlackRock LC-C V/Merrill	18,000	9,822			L
05964H-10-5	Banco Santander SA ADR		02/15/2012	MFS Int'l/Merrill Lynch	905,000	7,905			L
064058-10-0	Bank New York Mellon Corp		02/15/2012	Delaware/Merrill Lynch	1,222,000	26,179			L
06738E-20-4	Barclays PLC	R	01/26/2012	MFS Int'l/Merrill Lynch	374,000	5,150			L
05565A-20-2	BNP Paribas Sponsord	R	01/25/2012	MFS Int'l/Merrill Lynch	198,000	4,531			L
138006-30-9	Canon Inc	R	01/11/2012	MFS Int'l/Merrill Lynch	64,000	2,748			L
231021-10-6	Cummins Inc COM		03/26/2012	VARIOUS	298,000	35,751			L
30231G-10-2	Exxon Mobil Corp Com		01/05/2012	VARIOUS	382,000	32,881			L
438128-30-8	Honda Motor	R	01/17/2012	MFS Int'l/Merrill Lynch	105,000	3,444			L
459200-10-1	IBM Com		01/04/2012	VARIOUS	314,000	58,617			L
465562-10-6	Itau Unibanco Banco Mult	R	01/25/2012	MFS Int'l/Merrill Lynch	202,000	4,176			L
539830-10-9	Lockheed Martin Corp		01/04/2012	VARIOUS	275,000	22,468			L
580645-10-9	Mc Graw Hill Companies		02/27/2012	BlackRock LC-C V/Merrill	250,000	11,628			L

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues . . . . . 0.

## **SCHEDULE D - PART 3**

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
58405U-10-2	Medco Health Solutions I		01/09/2012	BlackRock LC-C V/Merrill	533,000	32,652			L
742718-10-9	Procter & Gamble Co		01/04/2012	VARIOUS	222,000	14,831			L
81783H-10-5	Seven and I Holdings Co		01/19/2012	MFS Int'l/Merrill Lynch	105,000	5,836			L
92343V-10-4	Verizon Communications Com		01/30/2012	BlackRock LC-C V/Merrill	1,192,000	44,634			L
98212B-10-3	WPX Energy Inc		01/06/2012	Delaware/Merrill Lynch	543,000	16,776			L
984121-10-3	Xerox Corp		02/15/2012	Delaware/Merrill Lynch	2,876,000	22,809			L
9099999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				XXX	412,308	XXX		XXX
9799997	Total Common Stock Part 3				XXX	412,308	XXX		XXX
9799998	Summary Item from Part 5 for Common Stocks				XXX	XXX	XXX	XXX	XXX
9799999	Total Common Stock				XXX	412,308	XXX		XXX
9899999	Total Preferred and Common Stock				XXX	412,308	XXX		XXX
9999999	Totals				XXX	5,569,800	XXX	32,953	XXX

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0 .

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of  
During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
312945-ZD-3	FHLMC A9 740 4.0% 2041		03/15/2012	PRINCIPAL RECEIPT			57,995	57,994.93	61,147	61,195		(3,200)		(3,200)		57,995				413	02/01/2041	1FE
3128M7-4G-8	FHLMC G0 5923 05.50% 2040		03/15/2012	PRINCIPAL RECEIPT			60,956	60,956.18	66,369	66,407		(5,451)		(5,451)		60,956				566	01/01/2040	1FE
31368H-M4-2	FNMA P190379 05 50%2037		03/26/2012	PRINCIPAL RECEIPT			8,333	8,333.03	8,924	8,924		(591)		(591)		8,333				78	05/01/2037	1FE
31385W-SB-6	FNMA P555014 5.50% 2017		03/26/2012	PRINCIPAL RECEIPT			33,699	33,698.94	36,742	36,793		(3,094)		(3,094)		33,699				299	01/01/2017	1FE
31402C-PL-0	FNMA P725027 05%2033		03/26/2012	PRINCIPAL RECEIPT			70,337	70,336.73	75,794	75,775		(5,438)		(5,438)		70,337				499	11/01/2033	1FE
31403D-DX-4	FNMA P745418 05 50%2036		03/26/2012	PRINCIPAL RECEIPT			74,114	74,114.09	80,708	80,690		(6,576)		(6,576)		74,114				690	04/01/2036	1FE
31410F-VW-2	FNMA P888129 05 50%2037		03/26/2012	PRINCIPAL RECEIPT			7,894	7,893.95	8,454	8,453		(559)		(559)		7,894				73	02/01/2037	1FE
31410K-JY-1	FNMA P889579 06%2038		03/26/2012	PRINCIPAL RECEIPT			42,969	42,968.59	47,175	47,166		(4,197)		(4,197)		42,969				439	05/01/2038	1FE
31412P-RQ-6	FNMA P931195 04 50%2024		03/26/2012	PRINCIPAL RECEIPT			7,787	7,787.18	8,252	8,243		(456)		(456)		7,787				57	05/01/2024	1FE
31416B-TW-8	FNMA P995265 05 50%2024		03/26/2012	PRINCIPAL RECEIPT			5,531	5,530.99	6,006	5,993		(462)		(462)		5,531				50	01/01/2024	1FE
31417V-N6-6	FNMA PAC8512 4.50% 2039		03/26/2012	PRINCIPAL RECEIPT			6,753	6,752.93	7,158	7,161		(408)		(408)		6,753				51	11/25/2039	1FE
31418N-YK-0	FNMA PAD1613 04.50% 2025		03/26/2012	PRINCIPAL RECEIPT			64,656	64,655.95	69,263	69,296		(4,640)		(4,640)		64,656				487	05/01/2025	1FE
31418R-GS-4	FNMA PAD3808 04 50%2040		03/26/2012	PRINCIPAL RECEIPT			23,882	23,881.73	25,024	25,015		(1,133)		(1,133)		23,882				180	04/01/2040	1FE
313844-Y5-8	FNMA PAH3431 03.50% 2026		03/26/2012	PRINCIPAL RECEIPT			26,004	26,003.85	27,239	27,247		(1,243)		(1,243)		26,004				161	05/01/2026	1FE
3138AM-UJ-2	FNMA PAI7784 4.50% 2041		03/26/2012	PRINCIPAL RECEIPT			67,386	67,386.46	71,809	71,835		(4,449)		(4,449)		67,386				505	01/01/2041	1FE
912828-KB-5	US Treasury Nt 1.125%		01/15/2012	MATURITY			805,000	805,000.00	796,858	804,877		123		123		805,000				4,528	01/15/2012	1FE
0599999	Total - Bonds - U.S. Governments					XXX	1,363,296	1,363,295.53	1,396,922	1,405,070		(41,774)		(41,774)		1,363,296				9,076	XXX	XXX
532457-BD-9	Eli Lilly & Co Senior Nt 3.55%		03/06/2012	MATURITY			500,000	500,000.00	523,900	501,878		(1,878)		(1,878)		500,000				8,875	03/06/2012	1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)					XXX	500,000	500,000.00	523,900	501,878		(1,878)		(1,878)		500,000				8,875	XXX	XXX
8399997	Total - Bonds - Part 4					XXX	1,863,296	1,863,296	1,920,822	1,906,948		(43,652)		(43,652)		1,863,296				17,951	XXX	XXX
8399998	Summary Item from Part 5 for Bonds					XXX	XXX	XXX	XXX	XXX						XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Total Bonds					XXX	1,863,296	1,863,295.53	1,920,822	1,906,948		(43,652)		(43,652)		1,863,296				17,951	XXX	XXX
00846U-10-1	Agilent Technologies Inc	R	03/05/2012	BlackRock LC-C V/Merr		298,00	12,796		10,195	10,409	(214)			(214)		10,195		2,601	2,601		L	
009126-20-2	Air Liquide	R	01/12/2012	MFS Int'l/Merrill Lynch		162,00	4,022		3,767	3,985	(218)			(218)		3,767		255	255		L	
021441-10-0	Altera Corp		01/04/2012	BlackRock LC-C V/Merr		415,00	15,577		14,198	15,397	(1,198)			(1,198)		14,198		1,379	1,379		L	
031162-10-0	Amgen Inc Com		01/03/2012	BlackRock LC-C V/Merr		184,00	11,807		11,148	11,815	(667)			(667)		11,148		659	659		L	
032654-10-5	Analog Devices Inc Com		01/30/2012	BlackRock LC-C V/Merr		361,00	14,080		14,005	12,917	1,088			1,088		14,005		75	75		L	
N07059-18-6	ASML Hldg N.V. New York	R	01/11/2012	MFS Int'l/Merrill Lynch		66,00	2,753		2,596	2,758	(162)			(162)		2,596		157	157		L	
053332-10-2	Autozone Inc Nevada Com		03/26/2012	BlackRock LC-C V/Merr		32,00	12,111		10,564	10,399	165			165		10,564		1,547	1,547		L	

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of  
During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
058498-10-6	Ball Corp Com		01/30/2012	BlackRock LC-C V/Merr	458.00	17,943			15,881	16,355	(474)			(474)		15,881		2,062	2,062		L	
110122-10-8	Bristol-Myers Squibb Co		01/03/2012	BlackRock LC-C V/Merr	401.00	14,038			13,685	14,131	(447)			(447)		13,685		353	353		L	
189754-10-4	Coach Inc		01/30/2012	BlackRock LC-C V/Merr	165.00	11,291			9,571	10,072	(501)			(501)		9,571		1,720	1,720	37	L	
251542-10-6	Deutsche Boerse AG Shs	R	01/25/2012	MFS Int'l/Merrill Lynch	1,001.00	5,463			7,766	5,506	2,260			2,260		7,766		(2,303)	(2,303)		L	
427866-10-8	Hershey Company		01/03/2012	BlackRock LC-C V/Merr	291.00	17,836			17,253	17,978	(725)			(725)		17,253		582	582		L	
404280-40-6	HSBC Hldg PLC	R	01/19/2012	MFS Int'l/Merrill Lynch	89.00	3,659			3,306	3,391	(85)			(85)		3,306		353	353	15	L	
478160-10-4	Johnson & Johnson Com		02/09/2012	Delaware/Merrill Lynch	230.00	15,013			14,695	15,083	(389)			(389)		14,695		318	318		L	
495724-40-3	Kingfisher PLC 1	R	01/20/2012	MFS Int'l/Merrill Lynch	780.00	6,123			6,614	5,998	616			616		6,614		(491)	(491)		L	
544147-10-1	Lorillard Inc		03/05/2012	VARIOUS	108.00	13,881			11,956	12,312	(356)			(356)		11,956		1,924	1,924	395	L	
583334-10-7	Meadwestvaco Corp		02/13/2012	VARIOUS	869.00	26,076			24,875	26,027	(1,151)			(1,151)		24,875		1,201	1,201	123	L	
58405U-10-2	Medco Health Solutions I		03/12/2012	BlackRock LC-C V/Merr	533.00	36,150			32,652							32,652		3,498	3,498		L	
594918-10-4	Microsoft Corp Com		01/03/2012	VARIOUS	857.00	22,975			24,371	22,248	2,123			2,123		24,371		(1,395)	(1,395)		L	
637071-10-1	National-Oilwell Varco Inc		01/09/2012	BlackRock LC-C V/Merr	336.00	23,950			21,964	22,845	(880)			(880)		21,964		1,986	1,986		L	
632525-40-8	Natl Australia B ADR	R	02/14/2012	MFS Int'l/Merrill Lynch	316.00	7,806			7,231	7,562	(331)			(331)		7,231		575	575		L	
67066G-10-4	NVIDIA		01/09/2012	BlackRock LC-C V/Merr	565.00	8,240			11,308	7,831	3,477			3,477		11,308		(3,068)	(3,068)		L	
743263-10-5	Progress Energy Inc		01/26/2012	Delaware/Merrill Lynch	935.00	50,052			50,158	52,379	(2,220)			(2,220)		50,158		(107)	(107)	242	L	
74728G-60-5	QBE Ins Group Ltd Sponsored Adr	R	01/25/2012	MFS Int'l/Merrill Lynch	416.00	5,120			5,820	5,512	308			308		5,820		(700)	(700)		L	
855244-10-9	Starbucks Corp		01/03/2012	BlackRock LC-C V/Merr	363.00	16,632			15,862	16,702	(840)			(840)		15,862		770	770		L	
896945-20-1	TripAdvisor		01/03/2012	VARIOUS	448.00	12,066			10,968	11,294	(326)			(326)		10,968		1,098	1,098		L	
92857W-20-9	Vodafone Group PLC	R	01/10/2012	MFS Int'l/Merrill Lynch	65.00	1,809			2,419	1,822	597			597		2,419		(610)	(610)		L	
969457-10-0	Williams Companies Del	R	01/06/2012	COST ADJ		16,776			16,776	16,776						16,776					L	
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)		XXX		406,045				391,604	359,504	(550)			(550)		391,604		14,439	14,439	812	XXX	XXX
9799997	Total - Common Stock - Part 4		XXX		406,045	XXX			391,604	359,504	(550)			(550)		391,604		14,439	14,439	812	XXX	XXX
9799998	Summary Item from Part 5 for Common Stocks		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
9799999	Total Common Stocks		XXX	406,045	XXX	391,604	359,504	(550)						(550)		391,604		14,439	14,439	812	XXX	XXX
9899999	Total Preferred and Common Stocks		XXX	406,045	XXX	391,604	359,504	(550)						(550)		391,604		14,439	14,439	812	XXX	XXX
9999999	Totals				2,269,341	XXX	2,312,426	2,266,452	(550)	(43,652)				(44,202)		2,254,900		14,439	14,439	18,763	XXX	XXX

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues

0.

## SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

E06

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
	<b>NONE</b>

**NONE**

## **SCHEDULE DB - PART B - SECTION 1**

#### Future Contracts Open as of the Current Statement Date

1 Ticker Symbol	2 Number of Contracts	3 Notional Amount	4 Description	5 Description of Hedged Item(s)	6 Schedule/ Exhibit Identifier	7 Type(s) of Risk(s)	8 Date of Maturity or Expiration	9 Exchange	10 Trade Date	11 Transaction Price	12 Reporting Date Price	13 Fair Value	14 Book/ Adjusted Carrying Value	Change in Variation Margin				19 Potential Exposure	20 Hedge Effectiveness at Inception and at Quarter-end (a)
														15 Cumulative	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjust Basis of Hedged Item	18 Deferred		
1449999 Total								XXX	XXX	XXX	XXX	XXX	XXX					XXX	

**NONE**

Broker Name

### Net Cash Deposits

E07

**NONE**

(a)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
	<b>NONE</b>

**NONE**

## **SCHEDULE DB - PART D**

## Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

**NONE**

E08

**NONE      Schedule DL - Part 1**

## SCHEDULE DL - PART 2

## SECURITIES LENDING COLLATERAL ASSETS

### Reinvested Collateral Assets Owned Current Statement Date

### General Interrogatories:

1. Total activity for the year
2. Average balance for the year
3. Grand Total Schedule D1, Part 1 and Part 2

Fair Value \$ (0)

Book/Adjusted Carrying Value \$ . . . . . 0  
Book/Adjusted Carrying Value \$ . . . . . 0  
Book/Adjusted Carrying Value \$ . . . . . 0

**SCHEDULE E - PART 1 - CASH**

## Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
Key Bank	Columbus, OH				1,092,945	1,947,964	2,598,806	
Bank of Oklahoma	Tulsa, OK	0.106	27		92,851	93,354	122,680	
Key Bank	Columbus, OH				9,324	44,428	83,544	
Key Bank	Columbus, OH	0.200	26		54,717	54,726	44,842	
Key Bank	Columbus, OH	0.200	71		142,406	142,428	142,452	
Key Bank	Columbus, OH				100,000	100,000	100,000	
Key Bank	Columbus, OH	0.150	168		449,182	449,236	449,293	
Key Bank	Columbus, OH	0.150	199		543,045	543,110	483,011	
019998 Deposits in ( 0 ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX						XXX
019999 Total - Open Depositories	XXX	XXX	491		2,484,470	3,375,246	4,024,628	XXX
<b>Suspended Depositories</b>								
029998 Deposits in ( 0 ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX	XXX						XXX
029999 Total Suspended Depositories	XXX	XXX						XXX
039999 Total Cash on Deposit	XXX	XXX	491		2,484,470	3,375,246	4,024,628	XXX
049999 Cash in Company's Office	XXX	XXX	XXX	XXX	300	300	300	XXX
059999 Total	XXX	XXX	491		2,484,770	3,375,546	4,024,928	XXX

**NONE      Schedule E - Part 2**