



## PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

**QUARTERLY STATEMENT**  
AS OF MARCH 31, 2012  
OF THE CONDITION AND AFFAIRS OF THE  
**TRUSTGARD INSURANCE COMPANY**

NAIC Group Code	00267 (Current Period)	00267 (Prior Period)	NAIC Company Code	40118	Employer's ID Number	41-1405571
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		Ohio	
Country of Domicile	United States					
Incorporated/Organized	07/01/1981		Commenced Business	11/10/1981		
Statutory Home Office	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)			
Main Administrative Office	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Mail Address	671 South High Street, P.O. Box 1218 (Street and Number or P.O. Box)		Columbus, OH 43216-1218 (City or Town, State and Zip Code)			
Primary Location of Books and Records	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	David Sidney Ackermann (Name)		614-445-2900 (Area Code) (Telephone Number) (Extension)			
	ackermannd@grangeinsurance.com (E-mail Address)		614-542-3017 (Fax Number)			

## OFFICERS

<b>Name</b>	<b>Title</b>	<b>Name</b>	<b>Title</b>
THOMAS HOWARD WELCH	PRESIDENT & CEO	LAVAWN DEE COLEMAN	VP & SECRETARY
JOHN PAUL MCCAFFREY	VP & CFO		

## OTHER OFFICERS

JOHN CHRISTOPHER  
MONTGOMERY , VP - INVESTMENTS

## **DIRECTORS OR TRUSTEES**

DOUGLAS PAUL BUTH	GLENN EUGENE CORLETT	ELWOOD GORDON GEE	ROBERT ENLOW HOYT
JOHN PAUL MCCAFFREY	ROBERT JOHN O'BRIEN	MICHAEL VERNE PARROTT	MARY MARNETTE PERRY
MELVIN GEORGE PYE JR	THOMAS SIMRALL STEWART	PHILIP WAYNE STICHTER	THOMAS HOWARD WELCH
DAVID CHARLES WETMORE			

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.

THOMAS HOWARD WELCH  
PRESIDENT & CEO

LAWAWN DEE COLEMAN  
VP & SECRETARY

JOHN PAUL MCCAFFREY  
VP & CFO

a. Is this an original filing? Yes  No

b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

Teresa J. Burchwell, Notary Public  
April 28, 2017

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

**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 .....	68,169,262		68,169,262	69,252,217
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	2,000		2,000	2,000
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
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 (\$ .....0 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....3,130,321 ) .....	3,130,322		3,130,322	598,469
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....	3,154,725		3,154,725	2,881,832
11. Aggregate write-ins for invested assets .....	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	74,456,309	.0	74,456,309	72,734,518
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	846,426		846,426	743,215
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	6,593,690	.46,054	6,547,636	6,430,346
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....(1,145) earned but unbilled premiums) .....	(2,086)	(941)	(1,145)	(6,577)
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	1,360,517		1,360,517	1,354,785
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 .....	676,398		676,398	2,030,914
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	15,083	.0	15,083	16,854
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	83,946,337	45,113	83,901,224	83,304,055
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	83,946,337	45,113	83,901,224	83,304,055
<b>DETAILS OF WRITE-INS</b>				
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. Equities in Pools .....	15,083		15,083	16,854
2502. ....			0	0
2503. ....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	.0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	15,083	0	15,083	16,854

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 2,315,848 )	13,831,829	13,813,860
2. Reinsurance payable on paid losses and loss adjustment expenses	(27)	27
3. Loss adjustment expenses	3,807,628	3,953,123
4. Commissions payable, contingent commissions and other similar charges	168,554	354,928
5. Other expenses (excluding taxes, licenses and fees)	823,836	951,880
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	501,819	407,055
7.1 Current federal and foreign income taxes (including \$ 5,976 on realized capital gains (losses))	526,176	1,791,666
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 52,912,951 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)	13,861,674	13,680,706
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	31,090	27,079
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	551,142	0
22. Payable for securities lending	3,154,725	2,881,832
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	37,258,446	37,862,156
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	37,258,446	37,862,156
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	2,500,000	2,500,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	4,657,724	4,657,724
35. Unassigned funds (surplus)	39,485,054	38,284,175
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$ )	0	0
36.2 shares preferred (value included in Line 31 \$ )	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	46,642,778	45,441,899
38. Totals (Page 2, Line 28, Col. 3)	83,901,224	83,304,055
<b>DETAILS OF WRITE-INS</b>		
2501. Miscellaneous Liability	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.	0	0
2902.	0	0
2903.	0	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	0
3202.	0	0
3203.	0	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 AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

**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 \$ 36,932,371 )	37,489,465	42,029,964	161,281,629
1.2 Assumed (written \$ 9,075,130 )	8,893,719	9,271,194	36,615,867
1.3 Ceded (written \$ 36,940,801 )	37,497,452	42,035,760	161,375,030
1.4 Net (written \$ 9,066,700 )	8,885,732	9,265,398	36,522,466
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 4,864,055 ):			
2.1 Direct	31,156,043	23,867,343	118,001,901
2.2 Assumed	5,009,090	5,285,294	22,024,381
2.3 Ceded	31,162,847	23,873,075	118,079,528
2.4 Net	5,002,286	5,279,562	21,946,754
3. Loss adjustment expenses incurred	969,329	964,771	3,799,166
4. Other underwriting expenses incurred	2,815,895	2,990,175	11,415,292
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	8,787,510	9,234,508	37,161,213
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	98,222	30,890	(638,747)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	648,995	557,764	2,402,614
10. Net realized capital gains (losses) less capital gains tax of \$ 5,976	11,100	0	1,256
11. Net investment gain (loss) (Lines 9 + 10)	660,095	557,764	2,403,870
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 983 amount charged off \$ 50,968 )	(49,985)	(80,968)	(284,818)
13. Finance and service charges not included in premiums	993,596	1,228,067	4,559,557
14. Aggregate write-ins for miscellaneous income	37,375	44,364	158,689
15. Total other income (Lines 12 through 14)	980,986	1,191,463	4,433,428
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,739,303	1,780,117	6,198,551
17. Dividends to policyholders	27,953	31,545	106,883
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)	1,711,350	1,748,572	6,091,668
19. Federal and foreign income taxes incurred	520,199	493,190	1,790,989
20. Net income (Line 18 minus Line 19)(to Line 22)	1,191,151	1,255,382	4,300,679
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	45,441,899	41,195,226	41,195,226
22. Net income (from Line 20)	1,191,151	1,255,382	4,300,679
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(12,139)	0	0
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(4,362)	(106,335)	(80,893)
27. Change in nonadmitted assets	14,090	42,346	26,887
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,200,879	1,179,254	4,246,673
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	46,642,778	42,374,480	45,441,899
<b>DETAILS OF WRITE-INS</b>			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income	37,375	44,364	158,689
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	37,375	44,364	158,689
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

**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.....	8,947,975	9,213,575	36,370,602
2. Net investment income.....	631,542	427,221	2,740,664
3. Miscellaneous income.....	980,986	1,191,463	4,433,428
4. Total (Lines 1 to 3).....	10,560,503	10,832,259	43,544,694
5. Benefit and loss related payments.....	4,984,371	5,693,712	22,279,037
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	4,150,373	4,470,488	15,639,082
8. Dividends paid to policyholders.....	23,942	19,287	106,426
9. Federal and foreign income taxes paid (recovered) net of \$ 5,976 tax on capital gains (losses).....	1,791,665	1,874,700	1,874,700
10. Total (Lines 5 through 9).....	10,950,351	12,058,187	39,899,245
11. Net cash from operations (Line 4 minus Line 10).....	(389,848)	(1,225,928)	3,645,449
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	6,922,546	1,601,047	24,264,910
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	551,142	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	7,473,688	1,601,047	24,264,910
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	5,908,273	6,782,992	26,810,432
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	0	1,806	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	5,908,273	6,784,798	26,810,432
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	1,565,415	(5,183,751)	(2,545,522)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	1,356,286	6,537,545	(1,135,094)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	1,356,286	6,537,545	(1,135,094)
<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).....	2,531,853	127,866	(35,167)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	598,469	633,636	633,636
19.2 End of period (Line 18 plus Line 19.1).....	3,130,322	761,502	598,469

**STATEMENT AS OF MARCH 31, 2012 OF THE  
TRUSTGARD INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

A. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. The State of Ohio requires that insurance companies domiciled in the State prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. The Company does not employ accounting practices that depart from the NAIC Accounting Practices and Procedures Manual.

**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

NO CHANGE

**3. BUSINESS COMBINATIONS AND GOODWILL**

NONE

**4. DISCONTINUED OPERATIONS**

NO CHANGE

**5. INVESTMENTS**

**D. LOAN-BACKED SECURITIES**

1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.

2) NONE

3) NONE

4) As 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.

Aggregate Amount of Unrealized Losses:

1	Less than 12 Months	(7,691)
2	Greater than 12 Months	0

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:

1	Less than 12 Months	494,630
2	Greater than 12 Months	0

5. According to SSAP 43R, loan-backed and structured securities with an unrealized loss position were reviewed according to the pronouncement that became effective on 9/30/09. The best estimate of future cash flows using the appropriate discount rate was calculated for each affected security, with other-than-temporary impairments realized to the extent that present value was less than amortized cost. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

**6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

NO CHANGE

**7. INVESTMENT INCOME**

NO CHANGE

**8. DERIVATIVE INSTRUMENTS**

NONE

**9. FEDERAL INCOME**

A. The components of the net deferred tax assets at March 31, 2012 and December 31, 2011 are as follows:

	3/31/2012	12/31/2011
Gross Deferred Tax Assets	\$ 1,439,019	\$ 1,429,620
Gross Deferred Tax Liabilities	78,501	64,741
Net Deferred Tax Asset (Liability)	1,360,517	1,364,879
Non-admitted Deferred Tax Assets	-	10,094
Admitted Deferred Tax Asset	1,360,517	1,354,785
(Increase) Decrease in Deferred Tax Assets Non-admitted	\$ 10,094	\$ 25,075

B. The Company has no deferred tax liabilities that are not recognized

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

	3/31/2012	12/31/2011
Current Income Tax Expense	\$ 520,200	\$ 1,820,621
Tax on Capital Gains/(Losses)	5,976	677
Prior Year Under Accrual (Over Accrual)	-	(29,632)
Federal Income Taxes Incurred	\$ 526,176	\$ 1,791,666

**10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES**

NO CHANGE

**11. DEBT**

NONE

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTRETIREMENT BENEFIT PLANS**

NO CHANGE

**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUSAI-REORGANIZATIONS**

NO CHANGE

**STATEMENT AS OF MARCH 31, 2012 OF THE  
TRUSTGARD INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

14. CONTINGENCIES  
NO CHANGE

15. LEASES  
NO CHANGE

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK.  
NONE

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES  
NONE

18. GAINS OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.  
NONE

19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS  
NONE

20. FAIR VALUE MEASUREMENTS

A.

1. NONE
2. NONE
3. The Company's policy is to recognize transfers in and out as of the end of the reporting period.
4. As of March 31, 2012, the reported fair value of the entity's investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows:

According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of March 31, 2012, the Company did not have any bonds rated NAIC 3 thru 6, and therefore did not report any securities at fair value.

B. Not Required

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (CV)
Bonds	73,174,188	68,169,262	4,470,675	68,703,514	0	0
Common Stock	2,000	2,000	0	0	0	2,000
Perpetual Preferred	0	0	0	0	0	0
Mortgage Loans	0	0	0	0	0	0
Money Market	3,130,322	3,130,322	3,130,322	0	0	0
Total	<u>76,306,510</u>	<u>71,301,584</u>	<u>7,600,996</u>	<u>68,703,514</u>	<u>0</u>	<u>2,000</u>

D. Not Practicable to Estimate Fair Value

Type of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Bonds	0			
Common Stock	2,000	N/A	N/A	Affiliate
Perpetual Preferred	0			
Mortgage Loans	0			
Money Market	0			
Total	<u>2,000</u>			

21. OTHER ITEMS  
NO CHANGE

22. EVENTS SUBSEQUENT

NO CHANGE

23. REINSURANCE  
NO CHANGE

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION  
NONE

**STATEMENT AS OF MARCH 31, 2012 OF THE  
TRUSTGARD INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by \$(0.100) million from \$26.833 million in 2011 to \$26.733 million in 2012 as a result of re-estimation of unpaid losses and loss adjustment expenses principally on private passenger auto liability and homeowners lines of insurance. This increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Included in this increase (decrease), the Company experienced \$0 million of unfavorable (favorable) prior year loss development on retrospectively rated policies. However, since the business to which it relates is subject to premium adjustments, there was no significant impact on surplus.

LOSSES AND LAE	3/31/2012	12/31/2011
BALANCE JANUARY 1	26,832,749	24,624,635
LESS REINSURANCE RECOVERABLES	<u>9,065,766</u>	<u>6,214,811</u>
NET BALANCE JANUARY 1	<u>17,766,983</u>	<u>18,409,824</u>

**INCURRED RELATED TO:**

CURRENT YEAR	6,053,392	27,038,326
PRIOR YEAR	<u>(81,777)</u>	<u>(1,292,405)</u>
TOTAL INCURRED	<u>5,971,615</u>	<u>25,745,921</u>

**PAID RELATED TO:**

CURRENT YEAR	3,118,156	17,549,738
PRIOR YEAR	<u>2,980,984</u>	<u>8,839,024</u>
TOTAL PAID	<u>6,099,141</u>	<u>26,388,762</u>

NET BALANCE AT DECEMBER 31	17,639,457	17,766,983
PLUS REINSURANCE RECOVERABLES	<u>12,147,186</u>	<u>9,065,766</u>
BALANCE AT DECEMBER 31	<u>29,786,643</u>	<u>26,832,749</u>

**26. INTERCOMPANY POOLING AGREEMENTS**

NO CHANGE

**27. STRUCTURED SETTLEMENTS**

NO CHANGE.

**28. HEALTH CARE RECEIVABLES**

NONE

**29. PARTICIPATING POLICIES**

NONE

**30. PREMIUM DEFICIENCY RESERVES**

NO CHANGE

**31. HIGH DEDUCTIBLES**

NONE

**32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES**

NONE

**33. ASBESTOS/ENVIRONMENTAL RESERVES**

NONE

**34. SUBSCRIBER SAVINGS ACCOUNTS**

NOT APPLICABLE

**35. MULTIPLE PERIL CROP INSURANCE**

NONE

**36. FINANCIAL GUARANTY INSURANCE**

NONE

**37. CATASTROPHIC PLANNING**

NO CHANGE

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

**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: ..... 01/01/3000

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 [X] NA [ ]

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). ..... 10/25/2010

6.4 By what department or departments?

Ohio.....

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 [ ] NA [X]

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

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]

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

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY****GENERAL INTERROGATORIES**

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? .....  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.

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 [X]  No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ 676,398

**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: ..... \$ 0

13. Amount of real estate and mortgages held in short-term investments: ..... \$ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....  Yes [X]  No [ ]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	\$ .....	\$ .....
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

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.

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

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  No

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase Bank, N.A.,.....	1111 Polaris Parkway, Columbus, OH 43240.....

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:

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? .....

Yes  No

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

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

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

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

Yes  No

17.2 If no, list exceptions:

.....

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

# **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 [X] NA [ ]  
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? .....

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:

## 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..... \$ \_\_\_\_\_

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

## **SCHEDULE F - CEDED REINSURANCE**

**Showing All New Reinsurers - Current Year to Date**

STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY

**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. N.		0		0		0
2. Alaska	AK. N.		0		0		0
3. Arizona	AZ. N.		0		0		0
4. Arkansas	AR. N.		0		0		0
5. California	CA. L.		0		0		0
6. Colorado	CO. L.		0		0		0
7. Connecticut	CT. N.		0		0		0
8. Delaware	DE. N.		0		0		0
9. District of Columbia	DC. N.		0		0		0
10. Florida	FL. N.		0		0		0
11. Georgia	GA. L.	3,306,874	4,086,422	1,837,645	3,027,129	4,049,465	4,227,609
12. Hawaii	HI. N.		0		0		0
13. Idaho	ID. N.		0		0		0
14. Illinois	IL. L.	5,659,397	6,341,363	3,161,971	4,337,905	10,743,624	12,378,985
15. Indiana	IN. L.	6,075,473	5,900,332	3,185,542	2,806,590	4,775,265	4,874,734
16. Iowa	IA. L.		0		0		0
17. Kansas	KS. L.		0		0		0
18. Kentucky	KY. L.	3,212,017	3,677,523	3,432,496	3,874,000	6,945,573	5,244,232
19. Louisiana	LA. N.		0		0		0
20. Maine	ME. N.		0		0		0
21. Maryland	MD. N.		0		0		0
22. Massachusetts	MA. N.		0		0		0
23. Michigan	MI. N.		0		0		0
24. Minnesota	MN. L.		0		0		0
25. Mississippi	MS. N.		0		0		0
26. Missouri	MO. L.		0	(476)	(360)		0
27. Montana	MT. N.		0		0		0
28. Nebraska	NE. L.		0		0		0
29. Nevada	NV. N.		0		0		0
30. New Hampshire	NH. N.		0		0		0
31. New Jersey	NJ. N.		0		0		0
32. New Mexico	NM. N.		0		0		0
33. New York	NY. N.		0		0		0
34. North Carolina	NC. N.		0		0		0
35. North Dakota	ND. L.		0		0		0
36. Ohio	OH. L.	3,834,669	3,907,088	2,168,216	2,809,470	4,392,188	4,960,466
37. Oklahoma	OK. N.		0		0		0
38. Oregon	OR. L.		0		0		0
39. Pennsylvania	PA. L.	5,259,364	5,667,340	3,101,945	3,947,549	7,077,610	5,749,800
40. Rhode Island	RI. N.		0		0		0
41. South Carolina	SC. L.	1,218,913	1,328,948	558,614	641,991	1,722,429	2,617,664
42. South Dakota	SD. L.		0		0		0
43. Tennessee	TN. L.	6,412,532	6,875,521	6,360,817	4,387,652	9,882,648	7,424,245
44. Texas	TX. L.		0		0		0
45. Utah	UT. N.		0		0		0
46. Vermont	VT. N.		0		0		0
47. Virginia	VA. L.	1,953,132	2,429,220	1,445,839	1,761,220	4,140,668	4,145,337
48. Washington	WA. L.		0		0		0
49. West Virginia	WV. N.		0		0		0
50. Wisconsin	WI. L.		0		0		0
51. Wyoming	WY. N.		0		0		0
52. American Samoa	AS. N.		0		0		0
53. Guam	GU. N.		0		0		0
54. Puerto Rico	PR. N.		0		0		0
55. U.S. Virgin Islands	VI. N.		0		0		0
56. Northern Mariana Islands	MP. N.		0		0		0
57. Canada	CN. N.		0		0		0
58. Aggregate Other Alien	OT. XXX	0	0	0	0	0	0
59. Totals	(a) 21	36,932,371	40,213,757	25,252,609	27,593,146	53,729,470	51,623,072
<b>DETAILS OF WRITE-INS</b>							
5801.	XXX.		0		0		0
5802.	XXX.		0		0		0
5803.	XXX.		0		0		0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX.	0	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0

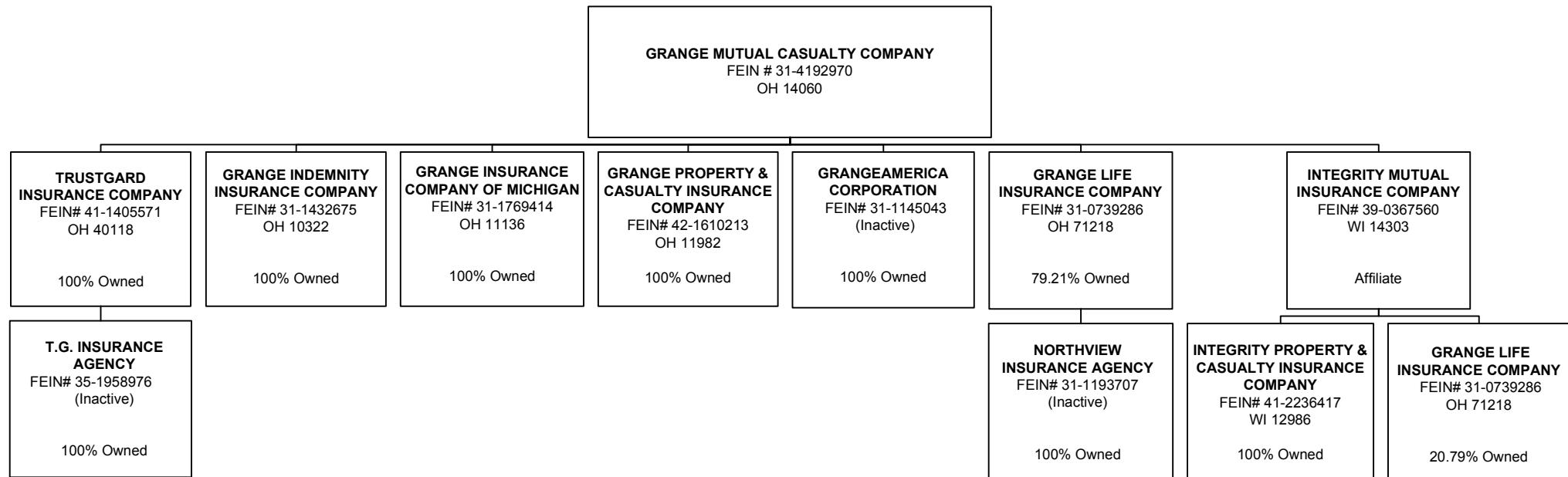
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY

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

**PART 1 – ORGANIZATIONAL CHART**



**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

Asterisk	Explanation
1	Reporting Entity.....

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

**PART 1 - LOSS EXPERIENCE**

Line 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	733,133	645,909	88.1	29.2
2. Allied lines	499,038	155,367	31.1	54.5
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	10,676,714	13,114,588	122.8	65.2
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	251,451	73,179	29.1	23.0
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	182,512	0	0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation	1,112,804	1,214,821	109.2	44.4
17.1 Other liability occurrence	283,543	441,208	155.6	(0.8)
17.2 Other liability-claims made			0.0	0.0
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	14,033,623	8,375,305	59.7	53.5
19.3,19.4 Commercial auto liability	702,935	776,445	110.5	52.5
21. Auto physical damage	9,013,712	6,359,221	70.6	59.9
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	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	0	0	0.0	0.0
<b>TOTALS</b>	<b>37,489,465</b>	<b>31,156,043</b>	<b>83.1</b>	<b>56.8</b>
<b>DETAILS OF WRITE-INS</b>				
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	0.0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	709,860	709,860	747,558
2. Allied lines	471,757	471,757	492,497
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	9,567,469	9,567,469	9,408,886
5. Commercial multiple peril	0		0
6. Mortgage guaranty	0		0
8. Ocean marine	0		0
9. Inland marine	209,112	209,112	225,627
10. Financial guaranty	0		0
11.1 Medical professional liability-occurrence	0		0
11.2 Medical professional liability-claims made	0		0
12. Earthquake	156,109	156,109	148,338
13. Group accident and health	0		0
14. Credit accident and health	0		0
15. Other accident and health	0		0
16. Workers' compensation	1,439,279	1,439,279	1,007,337
17.1 Other liability occurrence	228,675	228,675	259,015
17.2 Other liability-claims made	0		0
17.3 Excess Workers' Compensation	0		0
18.1 Products liability-occurrence	0		0
18.2 Products liability-claims made	0		0
19.1,19.2 Private passenger auto liability	14,110,801	14,110,801	16,596,829
19.3,19.4 Commercial auto liability	872,719	872,719	740,616
21. Auto physical damage	9,166,590	9,166,590	10,587,054
22. Aircraft (all perils)	0		0
23. Fidelity	0		0
24. Surety	0		0
26. Burglary and theft	0		0
27. Boiler and machinery	0		0
28. Credit	0		0
29. International	0		0
30. Warranty	0		0
31. Reinsurance - Nonproportional Assumed Property	XXX	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	0	0	0
<b>TOTALS</b>	<b>36,932,371</b>	<b>36,932,371</b>	<b>40,213,757</b>
<b>DETAILS OF WRITE-INS</b>			
3401.	0		0
3402.	0		0
3403.	0		0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0</b>

STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY

**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 Claims Unreported 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 or Reopened and Open as of Prior Year End	8 Q.S. Date IBNR Loss and LAE Reserves Subsequent to Prior Year End	9 Q.S. Date IBNR Loss and 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 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)	
1. 2009 + Prior .....	2,394	1,592	3,986	374	26	400	2,210	16	1,341	3,567	191	(209)	(18)	
2. 2010 .....	2,368	1,924	4,292	442	32	475	2,052	14	1,732	3,798	127	(146)	(20)	
3. Subtotals 2010 + prior .....	4,762	3,517	8,278	817	58	875	4,262	29	3,073	7,365	318	(356)	(38)	
4. 2011 .....	4,561	4,927	9,489	1,745	361	2,106	3,264	238	3,837	7,339	448	(491)	(44)	
5. Subtotals 2011 + prior .....	9,323	8,444	17,767	2,562	419	2,981	7,526	268	6,910	14,704	765	(847)	(82)	
6. 2012 .....	XXX	XXX	XXX	XXX	3,118	3,118	XXX	1,673	1,262	2,935	XXX	XXX	XXX	
7. Totals .....	9,323	8,444	17,767	2,562	3,537	6,099	7,526	1,941	8,172	17,639	765	(847)	(82)	
Prior Year-End Surplus As Regards Policy-holders											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	
8. 45,442											1.	8.2	2.	(10.0)
											3.	(0.5)		Col. 13, Line 7 Line 8
											4.	(0.2)		

## STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY

# 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.

### Response

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:**

- 1.
- 2.
- 3.
- 4.

### **Bar Code:**

1.   
4 0 1 1 8 2 0 1 2 4 9 0 0 0 0 0 1
2.   
4 0 1 1 8 2 0 1 2 4 5 5 0 0 0 0 0 1
3.   
4 0 1 1 8 2 0 1 2 3 6 5 0 0 0 0 0 1
4.   
4 0 1 1 8 2 0 1 2 5 0 5 0 0 0 0 0 1

**OVERFLOW PAGE FOR WRITE-INS**

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**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

**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		0	0
2. Cost of acquired:			
2.1 Actual cost at time of acquisition		0	0
2.2 Additional investment made after acquisition		0	0
3. Current year change in encumbrances		0	0
4. Total gain (loss) on disposals		0	0
5. Deduct amounts received on disposals		0	0
6. Total foreign exchange change in book/adjusted carrying value		0	0
7. Deduct current year's other than temporary impairment recognized		0	0
8. Deduct current year's depreciation		0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		0	0
10. Deduct total nonadmitted amounts		0	0
11. Statement value at end of current period (Line 9 minus Line 10)		0	0

**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		0	0
2. Cost of acquired:			
2.1 Actual cost at time of acquisition		0	0
2.2 Additional investment made after acquisition		0	0
3. Capitalized deferred interest and other		0	0
4. Accrual of discount		0	0
5. Unrealized valuation increase (decrease)		0	0
6. Total gain (loss) on disposals		0	0
7. Deduct amounts received on disposals		0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0	0
10. Deduct current year's other than temporary impairment recognized		0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0	0
12. Total valuation allowance		0	0
13. Subtotal (Line 11 plus Line 12)		0	0
14. Deduct total nonadmitted amounts		0	0
15. Statement value at end of current period (Line 13 minus Line 14)		0	0

**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		0	0
2. Cost of acquired:			
2.1 Actual cost at time of acquisition		0	0
2.2 Additional investment made after acquisition		0	0
3. Capitalized deferred interest and other		0	0
4. Accrual of discount		0	0
5. Unrealized valuation increase (decrease)		0	0
6. Total gain (loss) on disposals		0	0
7. Deduct amounts received on disposals		0	0
8. Deduct amortization of premium and depreciation		0	0
9. Total foreign exchange change in book/adjusted carrying value		0	0
10. Deduct current year's other than temporary impairment recognized		0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0	0
12. Deduct total nonadmitted amounts		0	0
13. Statement value at end of current period (Line 11 minus Line 12)		0	0

**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		69,254,218	67,082,424
2. Cost of bonds and stocks acquired		5,908,273	26,810,432
3. Accrual of discount		39,673	51,111
4. Unrealized valuation increase (decrease)		17,076	0
5. Total gain (loss) on disposals		17,076	1,933
6. Deduct consideration for bonds and stocks disposed of		6,922,546	24,264,910
7. Deduct amortization of premium		125,431	426,772
8. Total foreign exchange change in book/adjusted carrying value		0	0
9. Deduct current year's other than temporary impairment recognized		0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9)		68,171,263	69,254,218
11. Deduct total nonadmitted amounts		0	0
12. Statement value at end of current period (Line 10 minus Line 11)		68,171,263	69,254,218

STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY

**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).....	57,186,483	6,643,951	4,986,729	(31,663)	58,812,041	0	0	57,186,483
2. Class 2 (a).....	12,664,204	1,926,828	2,049,394	(54,095)	12,487,542	0	0	12,664,204
3. Class 3 (a).....	0				0	0	0	0
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds.....	69,850,687	8,570,779	7,036,124	(85,758)	71,299,583	0	0	69,850,687
<b>PREFERRED STOCK</b>								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
10. Class 3.....	0				0	0	0	0
11. Class 4.....	0				0	0	0	0
12. Class 5.....	0				0	0	0	0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock.....	69,850,687	8,570,779	7,036,124	(85,758)	71,299,583	0	0	69,850,687

(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 \$ .....3,130,322 ; NAIC 2 \$ ..... ;

NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

S102

**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	3,130,322	XXX	3,130,322	347	0

**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.....	598,469	633,636
2. Cost of short-term investments acquired .....	2,662,505	13,379,805
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....	130,653	13,414,972
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	3,130,321	598,469
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	3,130,321	598,469

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3  
**NONE**

STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY

**SCHEDULE D - PART 3**

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

1 CUSIP Identification	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 <sup>(a)</sup>
<b>Bonds - U.S. Governments</b>									
3136FT-3V-9.....	FNMA Call 1.500% 03/22/27.....		03/01/2012.....	FTN Financial.....		1,000,000	1,000,000		1.....
0599999 - Bonds - U.S. Governments						1,000,000	1,000,000	0	XXX
<b>Bonds - U.S. Special Revenue</b>									
3136A4-RL-5.....	FNR 2012-16 DB 3.000% 03/25/27.....		02/07/2012.....	Sterne, Agee & Leach.....	251,992	250,000	583	1.....	
3137AG-CA-6.....	FHR 3947 BC 2.500% 10/15/26.....		03/09/2012.....	Sterne, Agee & Leach.....	250,422	242,127	219	1.....	
3137AM-XR-3.....	FHR 4011 DU 2.500% 09/15/26.....		03/14/2012.....	Sterne, Agee & Leach.....	475,684	500,000	1,007	1.....	
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions					978,098	992,127	1,809	XXX	
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
031162-BG-4.....	Angen Inc. Call 4.100% 06/15/21.....		01/12/2012.....	Raymond James & Associates.....	258,163	250,000	.940	2FE	
09256B-AB-3.....	Blackstone Holdings NC 5.875% 03/15/21.....		02/22/2012.....	National Financial Services.....	519,345	500,000	13,219	1FE	
45167R-AE-4.....	Idex Corp. NC 4.500% 12/15/20.....		02/06/2012.....	Sterne, Agee & Leach.....	528,655	500,000	3,375	2FE	
61744Y-AD-0.....	Morgan Stanley NC 5.950% 12/28/17.....		02/21/2012.....	Stifel Nicolaus & Co.....	523,778	500,000	4,628	1FE	
638671-AJ-6.....	Nationwide Mutual Insurance 144A-Call.....		03/15/2012.....	Sterne, Agee & Leach.....	462,500	500,000	7,666	1FE	
694476-AC-6.....	Pacific Lifecorp 144A 6.000% 02/10/20.....		03/28/2012.....	Stifel Nicolaus & Co.....	548,615	500,000	4,333	2FE	
500472-AF-2.....	Philips Electronics NC 3.750% 03/15/22.....	F.....	03/05/2012.....	J P Morgan Securities.....	497,725	500,000	1FE		
705010-AB-2.....	Pearson DOL Fin 144A-NC 6.250% 05/06/1.....	F.....	02/15/2012.....	Sterne, Agee & Leach.....	591,395	500,000	9,115	2FE	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)					3,930,176	3,750,000	43,275	XXX	
8399997 - Subtotals- Bonds - Part 3					5,908,273	5,742,127	45,084	XXX	
8399999 - Subtotals - Bonds					5,908,273	5,742,127	45,084	XXX	
9999999 Totals					5,908,273	XXX	45,084	XXX	

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

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

**SCHEDULE D - PART 4**

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

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	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 (Amortization)/ 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.											
<b>Bonds - U.S. Governments</b>																									
3136FR-F2-4...	FNMA Call 2.00% 08/10/26...	..	02/10/2012...	Call	100.0000...		.805,000	.805,000	.808,824	.805,840		..(840)		..(840)		.805,000			..0		.8,050	..02/10/2012...	..1...		
3136FR-M7-5...	FNMA Call 2.00% 08/24/26...	..	02/24/2012...	Call	100.0000...		..1,000,000	..1,000,000	..1,000,000	..1,000,000				..0		..1,000,000			..0		10,000	..08/24/2026...	..1...		
3136FR-N6-6...	FNMA Call 3.00% 08/24/26...	..	02/24/2012...	Call	100.0000...		..1,000,000	..1,000,000	..1,000,000	..1,000,000				..0		..1,000,000			..0		15,000	..08/24/2026...	..1...		
<b>0599999 - Bonds - U.S. Governments</b>										2,805,000	2,805,000	2,808,824	2,805,840	0	(840)	0	(840)	0	2,805,000	0	0	0	33,050	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																									
312962-0G-1...	FG 810455 5.000% 10/01/18...	..	03/01/2012...	Paydown...			.102,449	.102,449	.109,876	.109,194		..(6,745)		..(6,745)		.102,449			..0		.736	..10/01/2018...	..1...		
31371J-S8-8...	FNMA Pool 253543 7.000% 11/01/20...	..	03/01/2012...	Paydown...			2,047	2,047	2,027	2,030		..17		..17		2,047			..0		24	..11/01/2020...	..1...		
3137A3-JW-0...	FHR 3753 AS 3.500% 11/15/25...	..	03/01/2012...	Paydown...			.66,579	.66,579	.68,691	.68,409		..(1,830)		..(1,830)		.66,579			..0		.418	..11/15/2025...	..1...		
3137A3-PN-3...	FHR 3762 GM 3.500% 08/15/28...	..	03/01/2012...	Paydown...			.33,285	.33,285	.34,324	.33,900		..(615)		..(615)		.33,285			..0		.195	..08/15/2028...	..1...		
3137A5-WW-0...	FHR 3788 WA 4.000% 12/15/28...	..	03/01/2012...	Paydown...			.49,094	.49,094	.50,461	.50,024		..(930)		..(930)		.49,094			..0		.324	..12/15/2028...	..1...		
31392E-SX-9...	FNR 2002-59 B 5.500% 09/25/17...	..	03/01/2012...	Paydown...			.5,287	.5,287	.5,381	.5,301		..(14)		..(14)		.5,287			..0		.48	..09/25/2017...	..1...		
31393A-GG-6...	FNR 2003-28 GA 4.000% 10/25/32...	..	03/01/2012...	Paydown...			.9,350	.9,350	.9,298	.9,320		..30		..30		.9,350			..0		.63	..10/25/2032...	..1...		
31393B-QC-2...	FNR 2003-37 QD 5.000% 05/25/32...	..	03/01/2012...	Paydown...			.36,198	.36,198	.35,994	.36,063		..134		..134		.36,198			..0		.329	..05/25/2032...	..1...		
31393N-M8-9...	FHR 2590 TU 5.000% 08/15/31...	..	03/01/2012...	Paydown...			.49,652	.49,652	.47,922	.49,379		..273		..273		.49,652			..0		.439	..08/15/2031...	..1...		
31394L-PM-8...	FHR 2698 BA 5.000% 11/15/32...	..	03/01/2012...	Paydown...			.8,061	.8,061	.8,108	.8,058		..4		..4		.8,061			..0		.67	..11/15/2032...	..1...		
31394T-DR-3...	FHR 2759 GC 5.000% 05/15/29...	..	02/01/2012...	Paydown...			.86,528	.86,528	.87,218	.86,384		..145		..145		.86,528			..0		.470	..05/15/2029...	..1...		
31395J-5E-2...	FHR 2881 AG 4.500% 08/15/34...	..	03/01/2012...	Paydown...			.9,117	.9,117	.9,095	.9,099		..18		..18		.9,117			..0		.74	..08/15/2034...	..1...		
31395T-U7-7...	FHR 2983 PB 5.500% 07/15/29...	..	03/01/2012...	Paydown...			.110,358	.110,358	.113,048	.110,245		..113		..113		.110,358			..0		.1,066	..07/15/2029...	..1...		
31395W-4L-8...	FNR 3003 LD 5.000% 12/15/34...	..	03/01/2012...	Paydown...			.58,134	.58,134	.61,041	.60,327		..(2,193)		..(2,193)		.58,134			..0		.426	..12/15/2034...	..1...		
31397S-ZF-4...	FNR 2011-42 VA 4.500% 06/25/22...	..	03/01/2012...	Paydown...			.9,090	.9,090	.9,623	.9,432		..(342)		..(342)		.9,090			..0		.68	..06/25/2022...	..1...		
31398L-NU-8...	FNR 3606 A 4.000% 07/15/23...	..	03/01/2012...	Paydown...			.69,075	.69,075	.72,493	.70,746		..(1,671)		..(1,671)		.69,075			..0		.443	..07/15/2023...	..1...		
31398S-SG-9...	FNR 2010-136 BA 3.500% 12/25/30...	..	03/01/2012...	Paydown...			.9,285	.9,285	.9,612	.9,590		..(305)		..(305)		.9,285			..0		.59	..12/25/2030...	..1...		
31402C-4H-2...	FNMA Pool 725424 5.500% 04/01/34...	..	03/01/2012...	Paydown...			.16,141	.16,141	.15,970	.15,973		..168		..168		.16,141			..0		.145	..04/01/2034...	..1...		
31403B-4M-2...	FNMA Pool 744326 5.000% 09/01/33...	..	03/01/2012...	Paydown...			.35,105	.35,105	.33,717	.33,756		..1,348		..1,348		.35,105			..0		.298	..09/01/2033...	..1...		
31403D-GZ-6...	FNMA Pool 745516 5.500% 05/01/36...	..	03/01/2012...	Paydown...			.6,295	.6,295	.6,287	.6,287		..8		..8		.6,295			..0		.59	..05/01/2036...	..1...		
31419F-EB-8...	FN AE4629 4.000% 10/01/40...	..	03/01/2012...	Paydown...			.34,609	.34,609	.36,296	.36,283		..(1,675)		..(1,675)		.34,609			..0		.214	..10/01/2040...	..1...		
38373Q-PY-1...	GNR 2003-41 BA 4.500% 05/20/33...	..	03/01/2012...	Paydown...			.17,767	.17,767	.17,817	.17,755		..12		..12		.17,767			..0		.136	..05/20/2033...	..1...		
38377T-2L-4...	GNR 2011-23 GQ 4.500% 02/20/26...	..	03/01/2012...	Paydown...			.38,341	.38,341	.40,142	.39,808		..(1,468)		..(1,468)		.38,341			..0		.291	..02/20/2026...	..1...		
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>										861,847	861,847	884,441	877,364	0	(15,516)	0	(15,516)	0	861,847	0	0	0	6,393	XXX	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																									
12626P-AD-5...	CRH America Inc NC 6.950% 03/15/12...	..	03/15/2012...	Maturity...			.500,000	.500,000	.544,700	.501,673		..(1,673)		..(1,673)		.500,000			..0		.17,375	..03/15/2012...	.2FE...		
205363-AL-8...	Computer Sciences Corp NC 6.500% 03/15...	..	03/01/2012...	Sterne, Agee & Leach...			.533,125	.500,000	.539,450	.535,391		..(865)		..(865)		.534,526			..(1,401)		.15,438	..03/15/2018...	.2FE...		
31331F-AU-5...	Federal Express 1997-1 A PT Certificates...	..	02/10/2012...	Call	100.0000...		.637,212	.637,212	.641,928	.639,546		..(2,333)		..(2,333)		.637,212			..0		.27,223	..01/15/2018...	.1FE...		

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

## SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Disposal Date	Foreign	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B.A.C.V. (11+12+13)	Total Foreign Exchange Change in B.A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indication (a)
31331F-AU-5...	Federal Express 1997-1 A PT Certificates...	01/15/2012	Redemption	100.0000		.52,017	.52,017	.52,401	.52,207		(190)		(190)		.52,017			.0	.1,951	.01/15/2018...	1FE...
38143U-MK-4...	Goldman Sachs Call 4.500% 09/17/25...	03/17/2012	Call	100.0000		.500,000	.500,000	.470,000	.470,023		.29,977		.29,977		.500,000			.0	.11,250	.09/17/2025...	1FE...
629568-AW-6...	Nabors Industries Inc 144A-NC 4.625% 0...	01/24/2012	Sterne, Agee & Leach...		.502,320	.500,000	.501,785	.501,785					.0	.501,785		.535	.535	.9,892	.09/15/2021...	2FE...	
638612-AG-6...	Nationwide Financial NC 5.625% 02/13/1...	03/15/2012	Sterne, Agee & Leach...		.531,025	.500,000	.518,300	.513,988		(905)		(905)		.513,083		.17,942	.17,942	.16,953	.02/13/2015...	2FE...	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)					3,255,699	3,189,229	3,268,564	3,214,612	0	24,011	0	24,011	0	3,238,623	0	17,076	17,076	100,081	XXX	XXX	
8399997 - Subtotals - Bonds - Part 4					6,922,546	6,856,076	6,961,829	6,897,816	0	7,654	0	7,654	0	6,905,471	0	17,076	17,076	139,524	XXX	XXX	
8399999 - Subtotals - Bonds					6,922,546	6,856,076	6,961,829	6,897,816	0	7,654	0	7,654	0	6,905,471	0	17,076	17,076	139,524	XXX	XXX	
999999999	Totals				6,922,546	XXX	6,961,829	6,897,816	0	7,654	0	7,654	0	6,905,471	0	17,076	17,076	139,524	XXX	XXX	

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

E05

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D

**NONE**

STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY

**SCHEDULE DL - PART 1**  
**SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation/Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Dates
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						
09248U-61-9.	Blackrock TempFund.....	LS	1FE	908,366	908,366	04/02/2012
000000-00-0.	Citigroup Global Markets Inc.....	LS	2FE	495,473	495,473	04/02/2012
000000-00-0.	ML Pierce Fenner & Smith Inc.....	LS	1FE	867,077	867,077	04/02/2012
000000-00-0.	RBS Securities Inc.....	LS	2FE	495,473	495,473	04/02/2012
000000-00-0.	UBS Securities LLC.....	LS	1FE	388,337	388,337	04/02/2012
3299999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals - Industrial and Miscellaneous (Unaffiliated)						
6199999 - Bonds - Total Bonds - Subtotals - Issuer Obligations						
6599999 - Bonds - Total Bonds - Subtotals - Total Bonds						
9999999 Totals						
				3,154,725	3,154,725	XXX

General Interrogatories:

1. Total activity for the year to date ..... Fair Value \$ ..... 3,154,725 Book/Adjusted Carrying Value \$ ..... 3,154,725
2. Average balance for the year to date ..... Fair Value \$ ..... 2,637,035 Book/Adjusted Carrying Value \$ ..... 2,637,035
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:  
NAIC 1 \$ 2,163,780 NAIC 2 \$ 990,945 NAIC 3 \$ ..... NAIC 4 \$ ..... NAIC 5 \$ ..... NAIC 6 \$ .....

**STATEMENT AS OF MARCH 31, 2012 OF THE TRUSTGARD INSURANCE COMPANY**

# **SCHEDULE DL - PART 2**

## **SECURITIES LENDING COLLATERAL ASSETS**

### General Interrogatories:

1. Total activity for the year to date.....	Fair Value \$ .....	Book/Adjusted Carrying Value	\$ .....
2. Average balance for the year to date.....	Fair Value \$ .....	Book/Adjusted Carrying Value	\$ .....
3. Grand Total Schedule DL Part 1 and Part 2.....	Fair Value \$ .....,154,725	Book/Adjusted Carrying Value	\$ .....,154,725

Schedule E - Part 1  
**NONE**

Schedule E - Part 2  
**NONE**