



QUARTERLY STATEMENT

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

CARESOURCE

NAIC Group Code	3683 (Current Period)	3683 (Prior Period)	NAIC Company Code	95201	Employer's ID Number	31-1143265
Organized under the Laws of		Ohio	State of Domicile or Port of Entry		Ohio	
Country of Domicile						
United States						
Licensed as business type:	Life, Accident & Health [<input type="checkbox"/>]	Property/Casualty [<input type="checkbox"/>]	Hospital, Medical & Dental Service or Indemnity [<input type="checkbox"/>]			
	Dental Service Corporation [<input type="checkbox"/>]	Vision Service Corporation [<input type="checkbox"/>]	Health Maintenance Organization [<input checked="" type="checkbox"/>]			
	Other [<input type="checkbox"/>]		Is HMO, Federally Qualified? Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]			
Incorporated/Organized	06/12/1985	Commenced Business	10/01/1988			
Statutory Home Office	230 North Main Street (Street and Number)	Dayton, OH 45402 (City or Town, State and Zip Code)				
Main Administrative Office	230 North Main Street (Street and Number)	Dayton, OH 45402 (City or Town, State and Zip Code)	937-531-3300 (Area Code) (Telephone Number)			
Mail Address	PO Box 8738 (Street and Number or P.O. Box)	Dayton, OH 45401-8738 (City or Town, State and Zip Code)				
Primary Location of Books and Records	230 North Main Street (Street and Number)	Dayton, OH 45402 (City or Town, State and Zip Code)	937-531-2159 (Area Code) (Telephone Number)			
Internet Web Site Address	www.caresource.com					
Statutory Statement Contact	Tarlton Thomas (Name)	937-531-2159 (Area Code) (Telephone Number) (Extension)				
	Tarlton.Thomas@caresource.com (E-mail Address)	937-396-3438 (FAX Number)				

OFFICERS

Name	Title	Name	Title
Pamela B. Morris	President & Chief Executive Officer	Bobby L. Jones	Chief Operating Officer
L. Tarlton Thomas III	Chief Financial Officer	Craig Thiele M.D.	Chief Medical Officer

OTHER OFFICERS

State of Ohio
County of Montgomery

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.

Pamela B. Morris
President/Chief Executive Officer

Bobby L. Jones
Chief Operating Officer

L. Tarlton Thomas, III
Chief Financial Officer

a. Is this an original filing? Yes [X] No []

b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

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	323,262,476		323,262,476	315,929,911
2. Stocks:				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	43,846,154		43,846,154	37,167,471
3. Mortgage loans on real estate:				
3.1 First liens	0		0	0
3.2 Other than first liens	0		0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	2,100,000		2,100,000	2,100,000
4.2 Properties held for the production of income (less \$ encumbrances)	0		0	0
4.3 Properties held for sale (less \$ encumbrances)	0		0	0
5. Cash (\$ (59,341,302)), cash equivalents (\$ 322,724,196) and short-term investments (\$ 70,507,227)	333,890,121		333,890,121	378,008,244
6. Contract loans (including \$ premium notes)	0		0	0
7. Derivatives	0		0	0
8. Other invested assets	0		0	0
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets	0		0	0
11. Aggregate write-ins for invested assets	582,507	582,507	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	703,681,258	582,507	703,098,751	733,205,625
13. Title plants less \$ charged off (for Title insurers only)	0		0	0
14. Investment income due and accrued	4,636,143		4,636,143	3,606,842
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	66,685,988		66,685,988	68,200,102
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	0		0	0
15.3 Accrued retrospective premiums	0		0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	562,760		562,760	3,663,369
16.2 Funds held by or deposited with reinsured companies	0		0	0
16.3 Other amounts receivable under reinsurance contracts	0		0	0
17. Amounts receivable relating to uninsured plans	0		0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0		0	0
18.2 Net deferred tax asset	0		0	0
19. Guaranty funds receivable or on deposit	0		0	0
20. Electronic data processing equipment and software	0		0	0
21. Furniture and equipment, including health care delivery assets (\$)	0		0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0		0	0
23. Receivables from parent, subsidiaries and affiliates	280,043	280,043	0	0
24. Health care (\$ 56,527,588) and other amounts receivable	56,527,588	0	56,527,588	50,737,261
25. Aggregate write-ins for other than invested assets	80,721	80,721	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	832,454,501	943,271	831,511,230	859,413,199
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0		0	0
28. Total (Lines 26 and 27)	832,454,501	943,271	831,511,230	859,413,199
DETAILS OF WRITE-INS				
1101. Investment in CareSource Foundation	582,507	582,507	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)	582,507	582,507	0	0
2501. PREPAID EXPENSES	80,721	80,721	0	0
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)	80,721	80,721	0	0

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 6,736,416 reinsurance ceded)	305,040,107		305,040,107	354,070,579
2. Accrued medical incentive pool and bonus amounts	1,125,178		1,125,178	1,481,928
3. Unpaid claims adjustment expenses	6,982,615		6,982,615	6,736,572
4. Aggregate health policy reserves including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	0		0	0
5. Aggregate life policy reserves	0		0	0
6. Property/casualty unearned premium reserve	0		0	0
7. Aggregate health claim reserves	0		0	0
8. Premiums received in advance	6,902,969		6,902,969	4,624,141
9. General expenses due or accrued	71,375,935		71,375,935	70,268,868
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))	0		0	0
10.2 Net deferred tax liability	0		0	0
11. Ceded reinsurance premiums payable	0		0	0
12. Amounts withheld or retained for the account of others	0		0	0
13. Remittances and items not allocated	0		0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	0		0	0
15. Amounts due to parent, subsidiaries and affiliates	6,744,535		6,744,535	7,516,286
16. Derivatives	0		0	0
17. Payable for securities	0		0	0
18. Payable for securities lending	0		0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)	0		0	0
20. Reinsurance in unauthorized companies	0		0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0		0	0
22. Liability for amounts held under uninsured plans	0		0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	398,171,339	0	398,171,339	444,698,374
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	17,200,000	17,200,000
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	2,100,000	2,100,000
31. Unassigned funds (surplus)	XXX	XXX	414,039,891	395,414,825
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26)	XXX	XXX	0	0
\$)	XXX	XXX	0	0
32.2 shares preferred (value included in Line 27)	XXX	XXX	0	0
\$)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	433,339,891	414,714,825
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	831,511,230	859,413,199
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001. Contributed Surplus (Land)	XXX	XXX	2,100,000	2,100,000
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	2,100,000	2,100,000

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	2,644,187	2,544,779	10,266,935
2. Net premium income (including \$ non-health premium income)	XXX	905,781,129	676,467,555	2,965,644,060
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0	0
4. Fee-for-service (net of \$ medical expenses).....	XXX	0	0	0
5. Risk revenue.....	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	905,781,129	676,467,555	2,965,644,060
Hospital and Medical:				
9. Hospital/medical benefits568,957,298	.517,882,272	2,048,082,835
10. Other professional services		8,947,866	6,569,067	32,536,094
11. Outside referrals		0	0	0
12. Emergency room and out-of-area		46,174,854	39,329,571	181,501,985
13. Prescription drugs		160,691,599	781,344	168,674,459
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		531,749	473,451	43,661,208
16. Subtotal (Lines 9 to 15)	0	785,303,366	565,035,705	2,474,456,581
Less:				
17. Net reinsurance recoveries		2,173,440	4,579,543	8,997,939
18. Total hospital and medical (Lines 16 minus 17)	0	.783,129,926	.560,456,162	2,465,458,642
19. Non-health claims (net).....		0	0	0
20. Claims adjustment expenses, including \$ 9,433,989 cost containment expenses.....		14,248,595	11,241,283	54,723,564
21. General administrative expenses.....		95,810,967	75,254,561	326,984,445
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	.893,189,488	.646,952,006	2,847,166,651
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	12,591,641	29,515,549	118,477,409
25. Net investment income earned		3,261,598	3,005,834	13,086,076
26. Net realized capital gains (losses) less capital gains tax of \$.....		.529,630	-(441,761)	-(355,393)
27. Net investment gains (losses) (Lines 25 plus 26)	0	3,791,228	2,564,073	12,730,683
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]	0	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	16,382,869	32,079,622	131,208,092
31. Federal and foreign income taxes incurred	XXX	0	0	0
32. Net income (loss) (Lines 30 minus 31)	XXX	16,382,869	32,079,622	131,208,092
DETAILS OF WRITE-INS				
0601.	XXX		0	0
0602.	XXX		0	0
0603.	XXX		0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701.	XXX		0	0
0702.	XXX		0	0
0703.	XXX		0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.			0	0
1402.			0	0
1403.			0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	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	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	414,714,825	293,290,427	293,290,427
34. Net income or (loss) from Line 32	16,382,869	32,079,622	131,208,092
35. Change in valuation basis of aggregate policy and claim reserves	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	4,505,078	2,070,537	(2,117,163)
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	0	0	0
39. Change in nonadmitted assets	(140,076)	659,206	(99,848)
40. Change in unauthorized reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles	0	0	0
44. Capital Changes:			
44.1 Paid in	0	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0	0
44.3 Transferred to surplus	0	0	0
45. Surplus adjustments:			
45.1 Paid in	0	0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital	(2,122,805)	(262,989)	(1,478,203)
46. Dividends to stockholders	0	0	(6,000,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	(88,480)
48. Net change in capital and surplus (Lines 34 to 47)	18,625,066	34,546,376	121,424,398
49. Capital and surplus end of reporting period (Line 33 plus 48)	433,339,891	327,836,803	414,714,825
DETAILS OF WRITE-INS			
4701.	0	0	0
4702. Non credit related impairment of residential mortgage-based securities	0	0	(88,480)
4703.	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	(88,480)

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	909,574,071	892,476,447	2,928,903,236
2. Net investment income.....	2,607,405	2,631,946	14,050,011
3. Miscellaneous income	0	0	0
4. Total (Lines 1 to 3)	912,181,476	895,108,393	2,942,953,247
5. Benefit and loss related payments	835,145,428	505,953,701	2,344,389,015
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	108,706,452	88,953,977	409,264,705
7. Commissions, expenses paid and aggregate write-ins for deductions	0	0	0
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9)	943,851,880	594,907,678	2,753,653,720
11. Net cash from operations (Line 4 minus Line 10)	(31,670,404)	300,200,715	189,299,527
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	36,169,179	4,606,085	41,610,079
12.2 Stocks	5,946,325	13,036,315	13,036,315
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	14,560	0	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	42,130,065	17,642,400	54,646,394
13. Cost of investments acquired (long-term only):			
13.1 Bonds	43,667,836	14,678,590	91,965,911
13.2 Stocks	7,812,159	16,141,109	25,144,303
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	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	51,479,995	30,819,699	117,110,214
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)	(9,349,930)	(13,177,299)	(62,463,820)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	(2,026,346)	(2,033,674)	(2,108,761)
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	6,000,000
16.6 Other cash provided (applied).....	(1,071,442)	(2,932,734)	38,515,099
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(3,097,788)	(4,966,408)	30,406,338
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(44,118,123)	282,057,008	157,242,045
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	378,008,244	220,766,198	220,766,198
19.2 End of period (Line 18 plus Line 19.1)	333,890,121	502,823,206	378,008,244

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group							
Total Members at end of:										
1. Prior Year	875,545	0	.0	0	0	0	0	1,234	872,452	1,859
2. First Quarter	885,261	0	.0	0	0	0	0	1,328	881,718	2,215
3. Second Quarter	0	0	.0	0	0	0	0	0	0	0
4. Third Quarter	0	0	.0	0	0	0	0	0	0	0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	2,644,187	0	0	0	0	0	0	3,796	2,634,211	6,180
Total Member Ambulatory Encounters for Period:										
7. Physician	1,280,828	0	.0	0	0	0	0	4,613	1,276,215	0
8. Non-Physician	739,999	0	0	0	0	0	0	3,371	736,628	0
9. Total	2,020,827	0	0	0	0	0	0	7,984	2,012,843	0
10. Hospital Patient Days Incurred	131,594	0	0	0	0	0	0	1,051	130,543	0
11. Number of Inpatient Admissions	38,598	0	0	0	0	0	0	181	38,417	0
12. Health Premiums Written (a)	909,873,483	0	.0	0	0	0	0	4,273,192	905,231,501	368,790
13. Life Premiums Direct	0	0	.0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written	0	0	.0	0	0	0	0	0	0	0
15. Health Premiums Earned	909,873,483	0	.0	0	0	0	0	4,273,192	905,231,501	368,790
16. Property/Casualty Premiums Earned	0	0	.0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services	832,517,146	0	.0	0	0	0	0	4,150,504	828,148,632	218,010
18. Amount Incurred for Provision of Health Care Services	785,303,366	0	0	0	0	0	0	4,313,370	780,621,205	368,791

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 4,273,192

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims unpaid (Reported)						
0199999 Individually listed claims unpaid.....	0	0	0	0	0	0
0299999 Aggregate accounts not individually listed-uncovered.....						
0399999 Aggregate accounts not individually listed-covered	76,286,900	246,987	44,087	3,507	73,645	76,655,126
0499999 Subtotals	76,286,900	246,987	44,087	3,507	73,645	76,655,126
0599999 Unreported claims and other claim reserves	XXX	XXX	XXX	XXX	XXX	235,121,397
0699999 Total amounts withheld	XXX	XXX	XXX	XXX	XXX	
0799999 Total claims unpaid	XXX	XXX	XXX	XXX	XXX	311,776,523
0899999 Accrued medical incentive pool and bonus amounts	XXX	XXX	XXX	XXX	XXX	1,125,178

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	0	.0	.0	0	.0	.0
2. Medicare Supplement	0	.0	.0	0	.0	.0
3. Dental Only	0	.0	.0	0	.0	.0
4. Vision Only	0	.0	.0	0	.0	.0
5. Federal Employees Health Benefits Plan	0	.0	.0	0	.0	.0
6. Title XVIII - Medicare	1,264,455	2,886,049	483,147	2,024,240	1,747,602	2,208,116
7. Title XIX - Medicaid	312,031,209	517,285,220	32,968,063	269,052,927	344,999,272	351,507,020
8. Other health	38,350	179,660	355,442	156,288	393,792	355,443
9. Health subtotal (Lines 1 to 8).....	313,334,014	520,350,929	33,806,652	271,233,455	347,140,666	354,070,579
10. Health care receivables (a).....	(365,341)	2,571,403	0	0	(365,341)	0
11. Other non-health	0	.0	.0	0	0	.0
12. Medical incentive pools and bonus amounts	833,625	204,640	699,771	425,407	1,533,396	1,481,928
13. Totals (Lines 9-10+11+12)	314,532,980	517,984,166	34,506,423	271,658,862	349,039,403	355,552,507

(a) Excludes \$0 loans or advances to providers not yet expensed.

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

NOTES TO FINANCIAL STATEMENTS

1A. Summary of Significant Accounting Policies

Basis of Presentation – CareSource (CS's) statutory-basis financial statements are presented on the basis of accounting practices prescribed or permitted by the ODI. The ODI requires that insurance companies domiciled in the State of Ohio prepare their statutory financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual* (NAIC AP&P) subject to any deviation prescribed or permitted by the ODI.

Accounting practices and procedures of the NAIC, as prescribed or permitted by the insurance department of the applicable states of domicile, comprise a comprehensive basis of accounting other than accounting principles generally accepted in the United States (GAAP). The more significant differences are as follows:

Non-admitted Assets: Certain assets designated as “non-admitted,” principally prepaid assets, investments in CareSource Foundation, past due healthcare receivables, furniture and equipment, and other assets not specifically identified as an admitted asset within the NAIC AP&P are excluded from the accompanying balance sheets and are charged directly to unassigned surplus. In accordance with GAAP, such assets are included in the balance sheet to the extent that those assets are not impaired.

Reinsurance: Unpaid claims liabilities and premiums received in advance ceded to reinsurers have been reported as reductions of the related balances rather than as assets as would be required in accordance with GAAP.

Statements of Cash Flows: Cash, cash equivalents, and short-term investments in the statements of cash flows represent cash balances and investments with initial maturities of one year or less. In accordance with GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

The effects of the foregoing variances from GAAP on the accompanying statutory-basis financial statements have not been quantified.

1B. Use of Estimates – No change

1C. Other significant accounting practices – No change

Reinsurance

Certain premiums and benefits are ceded to another insurance company under a reinsurance agreement. The ceded reinsurance agreement provides CS with increased capacity to write larger risks and maintain its exposure to loss within its capital resources. CS remains obligated for amounts ceded in the event that the reinsurer does not meet their obligations. CS utilizes a third party insurance company, Ace American Insurance Company, and an affiliate, CareSource Insurance, LLC, to provide reinsurance coverage. Effective March 1, 2012, CareSource modified its reinsurance agreements whereby CareSource Insurance serves as a direct reinsurer to Ace American Insurance, and premiums are no longer paid to CareSource Insurance.

	March 31, 2012	March 31, 2011
	Written & Earned Premiums	Written & Earned Premiums
Direct premiums	\$909,873,483	\$679,213,208
Ceded premiums		
Non-affiliates	(3,402,327)	(2,416,401)
Affiliates	(690,027)	(329,252)
Net premiums	\$905,781,129	\$676,467,555

CS does not, directly or indirectly, control any reinsurer with whom CS conducts business. CS does not have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel the agreement.

Significant Provider

CS has an agreement with Children's Hospital and Physicians' Healthcare Networks dba Partners for Kids (PFK), for PFK to provide medical services to CS members. In connection with this contract, CS pays medical claims billed by non-PFK providers for CS members whom are less than 19 years old in the Central and Southeast Regions, and is later reimbursed by PFK. CS has recorded a liability for the incurred but not reported (IBNR) medical claims for these non-PFK provided services, and a related receivable which was secured by an irrevocable letter of credit from PFK's financial institution to CS in the amount of the IBNR accrual. Reinsurance for CS members for which PFK is providing the medical services are delegated to PFK with approval of the State of Ohio.

As of March 31, 2012, PFK was paid \$68,980,683 for services rendered, prior to chargebacks of \$46,841,046. Chargebacks resulted from CS directly paying certain non-PFK providers under the contract. The CS membership capitated by the provider constituted approximately 19% of total CS membership in 2012.

At March 31, 2012, CS recorded a capitation chargeback receivable from PFK for \$18,757,392.

2. Accounting Changes and Correction of Errors

Effective October 1, 2011, the State of Ohio began to include funding in the Medicaid capitation rates for an MCP/hospital incentive. All such funds received by the Company are required to be remitted to the Ohio Hospital Association (OHA), which in turn distributes funds only to hospitals that are contracted with Medicaid managed care plans. Previously, the Company included these payments as premium income and administrative expense (as a state premium tax) and reflected the outstanding liability to the OHA as Amounts Due to Others.

NOTES TO FINANCIAL STATEMENTS

Consistent with the nature of these payments, the Company has reclassified the above mentioned costs for prior year end and current quarter to hospital & medical expense and included the liability to the OHA in Claims Payable. The reclassification has no impact on net income.

3. Business Combinations and Goodwill – None.

4. Discontinued Operations – None

5. Investments

a. Mortgage Loans – None.

b. Debt Restructuring – None.

c. Reverse Mortgage – None.

d. Loan-Backed Securities: As of March 31, 2012, CareSource does not hold any loan backed securities. Previously other than temporarily impaired bonds with a carrying value of \$7,063,073 were sold during Q1 for \$7,292,178.

e. Repurchase Agreements – None.

f. Real estate – None.

g. Low income housing – None.

6. Joint Ventures, Partnerships and Limited Liability Companies – None.

7. Investment Income – No change.

8. Derivative Instruments – None.

9. Income Taxes – Not applicable; tax exempt 501(c)3 organization.

10. Information Concerning Parent, Subsidiaries and Affiliates

In March 2012, CareSource Management Group (CSMG), the parent company to CareSource, announced a strategic alliance with Humana, Inc, the nation's second largest Medicare Advantage provider, to provide coverage for people who qualify for both the state and federally administered programs (dual eligibles) in various states, including Ohio. The alliance creates the potential to expand CSMG into additional states with Humana and increase service offerings to potential members.

11. Debt – None.

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Other Post Retirement Benefit Plans – None.

13. Capital and Surplus, Distribution Restrictions and Quasi-Reorganizations – No change.

14. Contingencies – No change.

15. Leases – No change.

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk – Not applicable.

17. Sale, transfer and servicing of financial assets and extinguishments of liabilities

a. Transfers of receivables reported as sales - None

b. Transfer and servicing of financial assets - None

c. Wash sales - None

18. Gain or Loss to the reporting entity for uninsured A&H plans and the uninsured portion of partially insured plans - No change.

19. Direct premium written/produced by managing general agents/third party administrator – Not applicable.

20. Fair Value Measurements –

The Company uses fair value measurements to record the fair value of certain assets and to estimate the fair value of financial instruments not recorded at fair value but required to be disclosed at fair value.

Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company's Level 1 assets and liabilities primarily include exchange-traded equity securities.

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

NOTES TO FINANCIAL STATEMENTS

- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.
- Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following discussion described the valuation methodologies utilized by the Company for assets measured or disclosed at fair value. Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument, including discount rates, estimates of timing, amount of expected future cash flows, and the credit standing of the issuer.

Debt and Equity Securities

The fair values of actively traded debt and equity securities are determined through the use of third-party pricing services utilizing market observable inputs. Certain mortgage-backed securities for which the Company does not receive public quotations or for which the Company believes market activity to reflect distressed sales are valued using current market-consistent rates applicable to yield, credit quality and maturity of each security. When available, market observable inputs are used to estimate the fair values of these securities.

Cash, Cash Equivalents, and Short-Term Investments

The fair values of cash and cash equivalents are based on quoted market prices. Short term investments are stated at amortized cost, which approximates fair value.

Assets measured at fair value at March 31, 2012 are outlined below:

	Measured at Fair Value	Assets			Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
2012							
Common stock:							
Small cap	\$ 6,043,711	\$ 6,043,711	\$ -	\$ -	\$ -	\$ -	\$ -
Mid cap	10,185,193	10,185,193	-	-	-	-	-
Large cap	18,524,150	18,524,150	-	-	-	-	-
International	9,092,380	9,092,380	-	-	-	-	-
Total common stock	<u>\$ 43,846,154</u>	<u>\$ 43,846,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Assets measured at fair value at December 31, 2011 are outlined below:

	Measured at Fair Value	Assets			Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
2011							
Bonds:							
Collateralized mortgage obligations	\$ 851,020	\$ -	\$ 851,020	\$ -	\$ -	\$ -	\$ -
Total bonds	<u>\$ 851,020</u>	<u>\$ -</u>	<u>\$ 851,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Common stock:							
Small cap	\$ 4,899,082	\$ 4,899,082	\$ -	\$ -	\$ -	\$ -	\$ -
Mid cap	8,412,313	8,412,313	-	-	-	-	-
Large cap	16,432,322	16,432,322	-	-	-	-	-
International	7,423,754	7,423,754	-	-	-	-	-
Total common stock	<u>\$ 37,167,471</u>	<u>\$ 37,167,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total assets	<u>\$ 38,018,491</u>	<u>\$ 37,167,471</u>	<u>\$ 851,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Company did not have any significant assets or liabilities measured at fair value on a nonrecurring basis as of March 31, 2012 or December 31, 2011.

Changes in the balances of Level 3 assets during the year ended March 31, 2012 are presented below:

Collateralized Mortgage Obligations

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

NOTES TO FINANCIAL STATEMENTS

Balance at January 1, 2012		\$ 851,020
Unrealized gains included in surplus		-
Net purchases and sales		(858,750)
Realized gains included in net income		7,730
Transfers in (out) of Level 3		-
Balance at March 31, 2012		<u><u>\$</u></u>

The book/adjusted carrying amounts and fair values of the Company's significant financial instruments follow:

	<u>March 31, 2012</u>		<u>December 31, 2011</u>	
	<u>Book/ Adjusted Carrying Amount</u>	<u>Fair Value</u>	<u>Book/ Adjusted Carrying Amount</u>	<u>Fair Value</u>
Assets:				
Bonds	\$323,262,476	\$340,055,732	\$315,929,911	\$330,989,949
Common stocks	43,846,154	43,846,154	37,167,471	37,167,471
Cash, cash equivalents and short-term investments	333,890,121	333,879,404	378,008,244	377,932,599

21. Other Items – No change.

22. Events subsequent - Subsequent events have been considered through May 14, 2012 for the statutory statements issued on that date.

 A. Type I – Recognized Subsequent Events – None

 B. Type II – Nonrecognized Subsequent Events - In April 2012, CSMG announced plans to sell CareSource Michigan, an insurance affiliate, to McLaren Health Plan, subject to regulatory approval. The transaction is not anticipated to have any material impact on CareSource.

23. Reinsurance – No change.

24. Retrospectively rated contracts & contracts subject to redetermination – None.

25. Change in Incurred Claims and Claims Adjustment Expenses Related to Prior Years

Reserves as of December 31, 2011 were \$355.6 million. As of March 31, 2012, \$314.5 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are \$34.5 million. Therefore, there has been a \$6.6 million favorable prior-year development since December 31, 2011 to March 31, 2012. The 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 decrease, the Company experienced \$9.0 million of favorable prior year claim development, combined with \$2.4 million of unfavorable experience in recoveries.

26. Intercompany Pooling Arrangements – None

27. Structured Settlements - Not applicable

28. Health Care Receivables – No change.

29. Participating Policies - Not applicable

30. Premium Deficiency Reserves - Not deemed necessary.

31. Anticipated Salvage and Subrogation – No change.

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

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 [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). 03/04/2011

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 [X] No [] NA []

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 CARESOURCE

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 [] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

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 [] No [X]

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)	\$ 0	\$ 0
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 CARESOURCE

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 [X] 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
Citizens Bank aka Charter One.....	870 Westminster Street, RWR110, Providence, Rhode Island, 02903.....
Fifth Third Bank.....	38 Fountain Square, Cincinnati, OH 45263.....
Huntington Bank.....	41 S. High Street, Columbus, OH 43287.....
Huntington Bank.....	3805 Edwards Road, Suite 350, Cincinnati, OH 45209.....

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 [X]

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 [X] No []

17.2 If no, list exceptions:

.....

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

GENERAL INTERROGATORIES
PART 2 - HEALTH

1 Operating Percentages

1.1 A&H loss percent.....	87.5 %
1.2 A&H cost containment percent	1.0 %
1.3 A&H expense percent excluding cost containment expenses.....	7.9 %
2.1 Do you act as a custodian for health savings accounts?.....	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.....	\$ _____
2.3 Do you act as an administrator for health savings accounts?.....	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
2.4 If yes, please provide the balance of the funds administered as of the reporting date.....	\$ _____

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	N.						0	
2. Alaska	AK	N.						0	
3. Arizona	AZ	N.						0	
4. Arkansas	AR	N.						0	
5. California	CA	N.						0	
6. Colorado	CO	N.						0	
7. Connecticut	CT	N.						0	
8. Delaware	DE	N.						0	
9. Dist. Columbia	DC	N.						0	
10. Florida	FL	N.						0	
11. Georgia	GA	N.						0	
12. Hawaii	HI	N.						0	
13. Idaho	ID	N.						0	
14. Illinois	IL	N.						0	
15. Indiana	IN	N.						0	
16. Iowa	IA	N.						0	
17. Kansas	KS	N.						0	
18. Kentucky	KY	N.						0	
19. Louisiana	LA	N.						0	
20. Maine	ME	N.						0	
21. Maryland	MD	N.						0	
22. Massachusetts	MA	N.						0	
23. Michigan	MI	N.						0	
24. Minnesota	MN	N.						0	
25. Mississippi	MS	N.						0	
26. Missouri	MO	N.						0	
27. Montana	MT	N.						0	
28. Nebraska	NE	N.						0	
29. Nevada	NV	N.						0	
30. New Hampshire	NH	N.						0	
31. New Jersey	NJ	N.						0	
32. New Mexico	NM	N.						0	
33. New York	NY	N.						0	
34. North Carolina	NC	N.						0	
35. North Dakota	ND	N.						0	
36. Ohio	OH	L. 368,790	4,273,192	905,231,501	0	0	0	909,873,483	0
37. Oklahoma	OK	N.						0	
38. Oregon	OR	N.						0	
39. Pennsylvania	PA	N.						0	
40. Rhode Island	RI	N.						0	
41. South Carolina	SC	N.						0	
42. South Dakota	SD	N.						0	
43. Tennessee	TN	N.						0	
44. Texas	TX	N.						0	
45. Utah	UT	N.						0	
46. Vermont	VT	N.						0	
47. Virginia	VA	N.						0	
48. Washington	WA	N.						0	
49. West Virginia	WV	N.						0	
50. Wisconsin	WI	N.						0	
51. Wyoming	WY	N.						0	
52. American Samoa	AS	N.						0	
53. Guam	GU	N.						0	
54. Puerto Rico	PR	N.						0	
55. U.S. Virgin Islands	VI	N.						0	
56. Northern Mariana Islands	MP	N.						0	
57. Canada	CN	N.						0	
58. Aggregate other alien	OT	XXX 0	0	0	0	0	0	0	0
59. Subtotal		XXX 368,790	4,273,192	905,231,501	0	0	0	909,873,483	0
60. Reporting entity contributions for Employee Benefit Plans		XXX						0	
61. Total (Direct Business)	(a) 1	368,790	4,273,192	905,231,501	0	0	0	909,873,483	0
DETAILS OF WRITE-INS									
5801.		XXX						0	
5802.		XXX						0	
5803.		XXX						0	
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX 0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX 0	0	0	0	0	0	0	0

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

(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

**CareSource Family of Companies
Corporate Structure**

CareSource Management Group Co
Ohio Nonprofit
Tax Exempt
NAIC(00000); FedID(31-1703368); ST(OH)

CareSource
Ohio Nonprofit
Tax Exempt
NAIC(95201);
FedID(31-1143265);
ST(OH)

CareSource Michigan
Michigan Nonprofit
Tax Exempt
NAIC(95562); FedID(38-
3252216); ST(MI)

CareSource Management Services Co
Ohio For Profit
NAIC(00000); FedID(31-1703371); ST(OH)

CareSource Illinois
Illinois Nonprofit
Tax Exempt
NAIC(00000);
FedID(27-2202797);
ST(IL)

CareSource Indiana, Inc
Indiana Nonprofit
Tax Exempt
NAIC(10142); FedID(32-
0121856); ST(IN)

CareSource Insurance, LLC
Vermont Nonprofit
Tax Exempt
NAIC(13717); FedID(27-1368371);
ST(VT)

The CareSource Foundation
Ohio Nonprofit
Tax Exempt
NAIC(00000);
FedID(56-2582561); ST(OH)

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

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

Asterisk	Explanation
	The CareSource Board of Trustees controls both CareSource, the reporting entity, and CareSource Foundation. The CareSource Management Group Co Board of Trustees controls CareSource Management Group Co. CareSource Management Group Co controls CSM, CSI and CS Insurance LLC.....

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

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 Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

Explanation:

1. Coverage provided through the Medicare Advantage Program.

Bar Code:

1.



OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

SCHEDULE A – VERIFICATION

Real Estate		1	2
		Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		2,100,000	2,100,000
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)		2,100,000	2,100,000
10. Deduct total nonadmitted amounts		0	0
11. Statement value at end of current period (Line 9 minus Line 10)		2,100,000	2,100,000

SCHEDULE B – VERIFICATION

Mortgage Loans		1	2
		Year To Date	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	2
		Year To Date	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	2
		Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year		353,097,382	294,961,034
2. Cost of bonds and stocks acquired		51,479,995	117,110,214
3. Accrual of discount		157,831	263,912
4. Unrealized valuation increase (decrease)		4,505,078	(2,117,163)
5. Total gain (loss) on disposals		515,070	(322,311)
6. Deduct consideration for bonds and stocks disposed of		42,113,787	54,646,394
7. Deduct amortization of premium		532,939	2,118,828
8. Total foreign exchange change in book/adjusted carrying value		0	0
9. Deduct current year's other than temporary impairment recognized		0	33,082
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9)		367,108,630	353,097,382
11. Deduct total nonadmitted amounts		0	0
12. Statement value at end of current period (Line 10 minus Line 11)		367,108,630	353,097,382

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

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
BONDS								
1. Class 1 (a).....	277,678,966	63,908,226	40,182,022	(669,728)	300,735,442	0	0	277,678,966
2. Class 2 (a).....	82,132,744	15,454,970	4,568,013	14,560	93,034,261	0	0	82,132,744
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.....	359,811,710	79,363,196	44,750,035	(655,168)	393,769,703	0	0	359,811,710
PREFERRED STOCK								
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.....	359,811,710	79,363,196	44,750,035	(655,168)	393,769,703	0	0	359,811,710

(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 \$; NAIC 2 \$;

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

S102

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

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	70,507,227	XXX	71,130,021	521,859	273,726

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.....	43,881,799	4,840,586
2. Cost of short-term investments acquired	35,695,360	71,325,429
3. Accrual of discount	32,949	82,657
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals	14,560	(9,598)
6. Deduct consideration received on disposals	8,582,573	31,775,000
7. Deduct amortization of premium.....	534,868	582,275
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).....	70,507,227	43,881,799
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	70,507,227	43,881,799

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

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

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.....	394,363,324	239,355,455
2. Cost of cash equivalents acquired	322,724,196	394,363,324
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals	394,363,324	239,355,455
7. Deduct amortization of premium	0	0
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)	322,724,196	394,363,324
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	322,724,196	394,363,324

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 CARESOURCE

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 (a)
Bonds - All Other Governments									
313378-4W-8.....	FHLB AGY STEP-UP.....		03/05/2012.....	HUNTINGTON BANK.....		5,000,000.....	5,000,000.....	0.....	1.....
313378-AG-6.....	FHLB AGY STEP-UP.....		03/05/2012.....	FIFTH THIRD BANK.....		5,000,000.....	5,000,000.....	0.....	1.....
3134G3-SN-1.....	FHLMC MTN AGY STEP-UP.....		03/26/2012.....	FIFTH THIRD BANK.....		4,995,000.....	5,000,000.....	0.....	1.....
3134G3-QY-9.....	FHLMC MTN AGY STEP-UP.....		03/15/2012.....	HUNTINGTON BANK.....		2,995,500.....	3,000,000.....	0.....	1.....
1099999 - Bonds - All Other Governments							17,990,500.....	18,000,000.....	0.....
Bonds - Industrial and Miscellaneous (Unaffiliated)									
428236-BB-8.....	HEWLETT PACKARD CO.....		01/31/2012.....	FIFTH THIRD BANK.....		3,001,905.....	3,000,000.....	14,375.....	1FE.....
94986R-HC-8.....	WELLS FARGO & CO MTN.....		01/27/2012.....	HUNTINGTON BANK.....		3,000,000.....	3,000,000.....	0.....	1FE.....
084670-AV-0.....	BERKSHIRE HATHAWAY I.....		02/10/2012.....	HUNTINGTON BANK.....		5,355,300.....	5,000,000.....	79,556.....	1FE.....
651229-AF-3.....	NEWELL RUBBERMAID IN.....		02/01/2012.....	HUNTINGTON BANK.....		3,159,450.....	3,000,000.....	48,583.....	2FE.....
89233P-5S-1.....	TOYOTA MTR CRD CORP MTN.....		02/01/2012.....	HUNTINGTON BANK.....		2,039,762.....	2,000,000.....	2,164.....	1FE.....
38143U-R9-4.....	GOLDMAN SACHS GROUP MTN.....		03/02/2012.....	HUNTINGTON BANK.....		2,000,000.....	2,000,000.....	0.....	1FE.....
013716-AS-4.....	ALCAN INC.....		03/29/2012.....	FIFTH THIRD BANK.....		2,925,259.....	2,000,000.....	46,833.....	1FE.....
191216-AV-2.....	COCA COLA CO.....		03/14/2012.....	HUNTINGTON BANK.....		2,125,880.....	2,000,000.....	2,383.....	1FE.....
478366-AZ-0.....	JOHNSON CTLS INC.....		03/16/2012.....	HUNTINGTON BANK.....		2,069,780.....	2,000,000.....	15,022.....	2FE.....
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)							25,677,336.....	24,000,000.....	208,916.....
8399997 - Subtotals - Bonds - Part 3							43,667,836.....	42,000,000.....	208,916.....
8399999 - Subtotals - Bonds							43,667,836.....	42,000,000.....	208,916.....
Common Stocks - Industrial and Miscellaneous									
464287-46-5.....	iShares:MSCI EAFE IdxT.....		03/31/2012.....	FIFTH THIRD BANK.....		2,066,000.....	.108,669.....	0.....	
464287-46-5.....	iShares:MSCI EAFE IdxT.....		03/31/2012.....	HUNTINGTON BANK.....		2,538,000.....	.133,935.....	0.....	
464287-49-9.....	iShares:Russ MC Idx T.....		03/31/2012.....	FIFTH THIRD BANK.....		719,000.....	.76,644.....	0.....	
464287-49-9.....	iShares:Russ MC Idx T.....		03/31/2012.....	HUNTINGTON BANK.....		641,000.....	.67,882.....	0.....	
464287-65-5.....	Russell 2000 iShare T.....		03/31/2012.....	FIFTH THIRD BANK.....		.832,000.....	.66,580.....	0.....	
92206C-66-4.....	Vangrd:Russell 2K.....		03/31/2012.....	HUNTINGTON BANK.....		1,074,000.....	.67,959.....	0.....	
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)							521,670.....	XXX.....	0.....
Common Stocks - Mutual Funds									
.29875E-10-0.....	EuroPac.....		03/31/2012.....	FIFTH THIRD BANK.....		7,021,571.....	.262,500.....		
316389-77-4.....	Fid Adv Sm Value.....		03/31/2012.....	FIFTH THIRD BANK.....		8,032,536.....	.121,875.....		
316071-10-9.....	Goldman MCV.....		03/31/2012.....	FIFTH THIRD BANK.....		.886,527.....	.31,250.....		
617440-50-8.....	Morgan Stan. MCG.....		03/31/2012.....	FIFTH THIRD BANK.....		2,896,242.....	.106,250.....		
779556-10-9.....	T. Rowe Mid Growth.....		03/31/2012.....	FIFTH THIRD BANK.....		1,842,105.....	.106,250.....		
779562-10-7.....	T. Rowe New Horizons F.....		03/31/2012.....	FIFTH THIRD BANK.....		3,556,508.....	.121,875.....		
.015566-30-0.....	Alger Specter.....		03/31/2012.....	HUNTINGTON BANK.....		201,411,961.....	.2,660,652.....		
.091929-76-0.....	Blackrock Opps.....		03/31/2012.....	HUNTINGTON BANK.....		.907,112.....	.31,250.....		
.446327-46-2.....	Hunt. Situs.....		03/31/2012.....	HUNTINGTON BANK.....		.3,805,648.....	.81,250.....		
.446327-61-1.....	Huntington Internat F.....		03/31/2012.....	HUNTINGTON BANK.....		.13,134,200.....	.138,750.....		
.466000-54-4.....	Ivy Mid Growth.....		03/31/2012.....	HUNTINGTON BANK.....		.68,713,605.....	.1,298,000.....		
.471023-59-8.....	Janus Perkins MCV.....		03/31/2012.....	HUNTINGTON BANK.....		.3,764,675.....	.81,250.....		
.47803W-40-6.....	JHancock Mid Value.....		03/31/2012.....	HUNTINGTON BANK.....		.162,024,404.....	.1,971,837.....		
.780905-78-2.....	Royce Special Equit F.....		03/31/2012.....	HUNTINGTON BANK.....		.6,720,708.....	.138,750.....		
.885215-65-7.....	Thornburg Intl.....		03/31/2012.....	HUNTINGTON BANK.....		.5,354,225.....	.138,750.....		
9299999 - Common Stocks - Mutual Funds							7,290,489.....	XXX.....	0.....
9799997 - Subtotals - Common Stocks - Part 3							7,812,159.....	XXX.....	0.....
9799999 - Subtotals - Common Stocks							7,812,159.....	XXX.....	0.....
9899999 - Subtotals- Preferred and Common Stocks							7,812,159.....	XXX.....	0.....
9999999 Totals							51,479,995.....	XXX.....	208,916.....

(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 CARESOURCE

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 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 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 Other Than Temporary Impairment Recognized	13 Current Year's Temporary Impairment Recognized	14 Total Change in B.A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B.A.C.V.									
Bonds - U.S. Governments																						
36202F-C6-1...	GNMA 2 POOL 004593...	03/31/2012	Fifth Third Bank...		128,959	128,959	133,734	133,642		(4,683)		(4,683)		128,959		0	0	0	14,562	12/20/2039...	1...	
0599999 - Bonds - U.S. Governments					128,959	128,959	133,734	133,642	0	(4,683)	0	(4,683)	0	128,959	0	0	0	0	14,562	XXX	XXX	
Bonds - All Other Governments																						
3128KU-G5-0...	FHLMC GOLD POOL A63820...	03/31/2012	Fifth Third Bank...		14,881	14,881	14,895	14,895	(14)		(14)		14,881		0	0	0	0	0	08/01/2037...	1...	
3128X5-ZE-1...	FHLMC MTN AGY.....	02/07/2012	Fifth Third Bank...		1,000,000	1,000,000	1,045,000	1,001,255	(1,255)	(1,255)	(1,255)		1,000,000		0	0	0	0	28,750	02/07/2022...	1...	
31335H-UN-1...	FHLB AGY STEP-UP.....	02/24/2012	Huntington Bank...		3,000,000	3,000,000	2,994,000	2,999,831	(365)	(365)	(365)		24,501		0	0	0	0	5,046	11/01/2022...	1...	
313371-P5-9...	FHLB AGY STEP-UP.....	02/05/2012	Fifth Third Bank...		3,000,000	3,000,000	3,000,000	3,000,000	0	0	0		3,000,000		0	0	0	0	24,375	11/24/2025...	1...	
31346J-XP-4...	FHLMC MTN AGY STEP-UP.....	02/24/2012	Fifth Third Bank...		1,000,000	1,000,000	1,000,000	1,000,000	0	0	0		1,000,000		0	0	0	0	7,500	11/05/2015...	1...	
3136FJ-5M-9...	FNMA AGY STEP-UP.....	01/29/2012	Fifth Third Bank...		5,000,000	5,000,000	4,979,000	4,999,179	321	321	321		5,000,000		0	0	0	0	17,500	02/24/2020...	1...	
3136FM-2T-0...	FNMA AGY STEP-UP.....	02/18/2012	Huntington Bank...		3,000,000	3,000,000	3,000,000	3,000,000	0	0	0		3,000,000		0	0	0	0	22,500	11/18/2025...	1...	
3136FR-Y5-6...	FNMA AGY STEP-UP.....	01/27/2012	Fifth Third Bank...		5,000,000	5,000,000	5,000,000	5,000,000	0	0	0		5,000,000		0	0	0	0	50,000	07/29/2030...	1...	
31371K-KE-0...	FNMA POOL 254193...	03/31/2012	Fifth Third Bank...		20,937	20,937	21,251	21,259	(32)	(32)	(32)		20,937		0	0	0	0	4,861	02/01/2022...	1...	
31371N-H2-4...	FNMA POOL 256849...	03/31/2012	Fifth Third Bank...		16,619	16,619	16,692	16,691	(72)	(72)	(72)		16,619		0	0	0	0	4,370	08/01/2037...	1...	
31411N-IW-3...	FNMA POOL 912461...	03/31/2012	Fifth Third Bank...		43,828	43,828	43,786	43,786	41	41	41		43,828		0	0	0	0	4,646	03/01/2037...	1...	
31413T-LF-7...	FNMA POOL 954926...	03/31/2012	Fifth Third Bank...		3,579	3,579	3,685	3,685	(300)	(300)	(300)		3,579		0	0	0	0	15,281	07/01/2037...	1...	
31413T-NB-4...	FNMA POOL 954986...	03/31/2012	Fifth Third Bank...		726	726	748	748	(70)	(70)	(70)		726		0	0	0	0	3,891	07/01/2037...	1...	
31413T-ND-0...	FNMA POOL 954988...	03/31/2012	Fifth Third Bank...		784	784	807	807	(75)	(75)	(75)		784		0	0	0	0	3,900	07/01/2037...	1...	
1099999 - Bonds - All Other Governments					21,125,854	21,125,854	21,144,732	21,127,294	0	(1,440)	0	(1,440)	0	21,125,854	0	0	0	0	242,619	XXX	XXX	
Bonds - Industrial and Miscellaneous (Unaffiliated)																						
026660-ZC-0...	AMER HONDA FIN MTN...	02/21/2012	Fifth Third Bank...		1,000,000	1,000,000	881,721	994,102		5,898		5,898		1,000,000		0	0	0	0	1,557	02/21/2012...	1FE...
05953Y-BK-6...	BANC OF AMER FDIC CORP...	03/08/2012	Fifth Third Bank...		735,568	1,000,000	967,500	761,658		5,877		5,877		767,535		(31,967)	(31,967)	(31,967)	(31,967)	16,151	06/25/2037...	12*
12543T-AM-7...	2006-13 1A12...	03/08/2012	Fifth Third Bank...		147,814	177,231	178,006	151,755		24,660		24,660		176,415		(28,601)	(28,601)	(28,601)	(28,601)	1,994	09/25/2036...	12*
126694-EF-1...	2005-21 A39...	03/08/2012	Fifth Third Bank...		858,750	1,000,000	955,625	851,020		9,300		9,300		860,320		(1,570)	(1,570)	(1,570)	(1,570)	10,292	10/25/2035...	12*
16162W-NH-8...	2005-S3 A7...	03/08/2012	Fifth Third Bank...		1,923,750	2,000,000	1,970,000	1,962,200		3,552		3,552		1,965,752		(42,002)	(42,002)	(42,002)	(42,002)	29,639	11/25/2035...	12*
25243Y-AK-5...	DIAGEST CAPITAL...	01/30/2012	Huntington Bank...		1,450,000	1,450,000	1,535,724	1,455,091	(5,091)	(5,091)	(5,091)		1,450,000		0	0	0	0	37,156	01/30/2012...	1FE...	
38143U-R0-6...	GOLDMAN SACHS GROUP MTN...	02/28/2012	Huntington Bank...		2,000,000	2,000,000	2,000,000	2,000,000	0	0	0		2,000,000		0	0	0	0	50,000	02/28/2026...	1FE...	
428236-AL-7...	HEWLETT PACKARD...	03/01/2012	Fifth Third Bank...		2,000,000	2,000,000	2,160,000	2,012,633	(12,633)	(12,633)	(12,633)		2,000,000		0	0	0	0	52,500	03/01/2012...	1FE...	
46628Y-AU-4...	JP MORGAN MTG TR 2006-S2 1A19...	03/08/2012	Fifth Third Bank...		1,620,000	2,000,000	1,988,750	1,355,553		8,536		8,536		1,364,089		255,911	255,911	255,911	255,911	32,318	07/25/2036...	12*
749581-AN-4...	RESIDENTIAL FNDG MTG SEC I 2007-S1 A9...	03/08/2012	Fifth Third Bank...		713,275	951,668	933,527	806,849		34,548		34,548		841,397		(128,122)	(128,122)	(128,122)	(128,122)	16,597	01/25/2037...	12*
74958D-45-5...	RESIDENTIAL FNDG MTG SEC I 2006-S10 1A6...	03/08/2012	Fifth Third Bank...		1,463,492	1,891,651	1,891,060	1,258,342		21,502		21,502		1,279,843		183,649	183,649	183,649	183,649	29,953	10/25/2036...	12*
92344U-AA-3...	VERIZON NJ...	01/17/2012	Huntington Bank...		1,000,000	1,000,000	1,065,590	1,002,065	(2,065)	(2,065)	(2,065)		1,000,000		0	0	0	0	29,375	01/17/2012...	1FE...	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)					14,912,649	16,470,549	16,527,502	14,611,268	0	94,082	0	94,082	0	14,705,350	0	0	0	0	307,532	XXX	XXX	
8399997 - Subtotals - Bonds - Part 4					36,167,462	37,725,362	37,805,969	35,872,205	0	87,958	0	87,958	0	35,960,163	0	0	0	0	207,298	207,298	564,713	
8399999 - Subtotals - Bonds					36,167,462	37,725,362	37,805,969	35,872,205	0	87,958	0	87,958	0	35,960,163	0	0	0	0	207,298	207,298	564,713	
Common Stock - Mutual Funds																						
091929-76-0...	Blackrock US Opportuni- ties Fund...	02/27/2012	Huntington Bank...		35,461,148	1,313,836	XXX	1,298,246	1,157,215	156,621		156,621		1,313,836		15,590	15,590	15,590	15,590	0	XXX	
38141W-39-8...	Goldman Sachs Mid Cap Value...	02/28/2012	Fifth Third Bank...		53,120,620	1,971,837	XXX	1,760,057	1,753,499	218,339		218,339		1,971,837		211,780	211,780	211,780	211,780	0	XXX	
476313-10-1...	Jensen...	02/28/2012	Fifth Third Bank...		93,029,804	2,660,652	XXX	2,580,251	2,466,220	194,432		194,432		2,660,652		80,402	80,402	80,402	80,402	0	XXX	
9299999 - Common Stocks - Mutual Funds					5,946,325	XXX																

Schedule DB - Part A - Section 1
NONE

Schedule DB - Part B - Section 1
NONE

Schedule DB - Part D
NONE

Schedule DL - Part 1
NONE

Schedule DL - Part 2
NONE

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

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	
Open Depositories								
Fifth Third Bank.....Ohio.....		0.100	.2	0	1,032,908	5,661,344	1,042,993	XXX
Huntington Bank.....Ohio.....		0.250	0	0	468,557	1,702,504	.761,308	XXX
Independent Bank.....Ohio.....		0.000	.0	0	484,025	.216,502	.165,748	XXX
US Bank.....Ohio.....		0.250	6,291	0	(16,481,858)	(32,328,340)	(61,556,387)	XXX
Charter One Bank.....Ohio.....		0.150	0	0	245,201	245,597	245,036	XXX
0199998 Deposits in depositaries that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total Open Depositories	XXX	XXX	6,293	0	(14,251,167)	(24,502,393)	(59,341,302)	XXX
0399999 Total Cash on Deposit	XXX	XXX	6,293	0	(14,251,167)	(24,502,393)	(59,341,302)	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX	6,293	0	(14,251,167)	(24,502,393)	(59,341,302)	XXX

STATEMENT AS OF MARCH 31, 2012 OF THE CARESOURCE

SCHEDULE E - PART 2 - CASH EQUIVALENTS

E
12