



HEALTH QUARTERLY STATEMENT

As of June 30, 2012
of the Condition and Affairs of the

Molina Healthcare of Ohio, Inc.

NAIC Group Code.....1531, 1531 (Current Period) (Prior Period) NAIC Company Code..... 12334 Employer's ID Number..... 20-0750134

Organized under the Laws of OH State of Domicile or Port of Entry OH Country of Domicile US

Licensed as Business Type Health Maintenance Organization Is HMO Federally Qualified? Yes [] No [X]

Incorporated/Organized..... November 19, 2003 Commenced Business..... October 24, 2005

Statutory Home Office 8101 North High Street, Suite 180..... Columbus OH 43235
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 8101 North High Street, Suite 180..... Columbus OH 43235 614-781-4300
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 8101 North High Street, Suite 180..... Columbus OH 43235
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 8101 North High Street, Suite 180..... Columbus OH 43235 614-781-4300
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.molinahealthcare.com

Statutory Statement Contact Benjamin Sargent Orris 614-781-4300
(Name) (Area Code) (Telephone Number) (Extension)
benjamin.orris@molinahealthcare.com 614-781-1410
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Amy Schultz Clubbs	President	2. Benjamin Sargent Orris	Treasurer/VP
3. Jeffrey Don Barlow	Secretary	4.	

OTHER

DIRECTORS OR TRUSTEES

Amy Schultz Clubbs Teri Daly Lauenstein James Dwight Forshee MD

State of..... Ohio
County of..... Franklin

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

(Signature)
Amy Schultz Clubbs
1. (Printed Name)

President
(Title)

(Signature)
Benjamin Sargent Orris
2. (Printed Name)

Treasurer/VP
(Title)

(Signature)
Jeffrey Don Barlow
3. (Printed Name)

Secretary
(Title)

Subscribed and sworn to before me
This _____ day of _____

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 _____

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.....	48,808,785		48,808,785	64,626,405
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....(13,065,577)), cash equivalents (\$.....48,996,895) and short-term investments (\$.....70,886,255).....	106,817,573		106,817,573	120,615,257
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	155,626,358	.0	155,626,358	185,241,662
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	527,695		527,695	730,091
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	21,977,450		21,977,450	11,390,152
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums.....	2,350		2,350	2,350
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	534,075		534,075	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....	70,650		70,650	70,650
18.1 Current federal and foreign income tax recoverable and interest thereon.....	1,607,031		1,607,031	
18.2 Net deferred tax asset.....	1,890,185	161,225	1,728,960	1,203,705
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....	4,630		4,630	6,615
21. Furniture and equipment, including health care delivery assets (\$.....0).....	733,772	733,772	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	
24. Health care (\$.....14,493,823) and other amounts receivable.....	17,022,428	2,528,605	14,493,823	15,966,675
25. Aggregate write-ins for other than invested assets.....	199,323	199,323	.0	7,424
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	200,195,947	3,622,925	196,573,022	214,619,324
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	200,195,947	3,622,925	196,573,022	214,619,324

DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Prepayments and Other Receivables.....	199,323	199,323	.0	7,424
2502.....			.0	
2503.....			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	199,323	199,323	.0	7,424

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	66,681,668	2,644,926	69,326,594	73,485,008
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	990,578	52,136	1,042,714	981,265
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	212,058		212,058	
9. General expenses due or accrued.....	16,437,631		16,437,631	20,362,696
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....			0	357,436
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	549,894		549,894	288,671
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
20. Reinsurance in unauthorized companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	686,607	0	686,607	3,378,324
24. Total liabilities (Lines 1 to 23).....	85,558,436	2,697,062	88,255,498	98,853,400
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	1,500	1,500
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	82,888,500	82,888,500
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	25,427,525	32,875,924
32. Less treasury stock, at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	108,317,525	115,765,924
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	196,573,023	214,619,324

DETAILS OF WRITE-INS

2301. Amounts Due to State.....	686,607		686,607	3,378,324
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	686,607	0	686,607	3,378,324
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001.				
3002.				
3003.				
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

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	1,507,515	1,473,431	2,966,124
2. Net premium income (including \$.....0 non-health premium income).....	XXX	589,219,350	456,713,775	998,772,343
3. Change in unearned premium reserves and reserve for rate credits.....	XXX			
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX			
5. Risk revenue.....	XXX			
6. Aggregate write-ins for other health care related revenues.....	XXX	6,363,241	2,621,518	1,682,964
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	595,582,591	459,335,293	1,000,455,307
Hospital and Medical:				
9. Hospital/medical benefits.....	14,132,691	282,653,816	257,101,372	566,245,814
10. Other professional services.....	2,512,424	50,248,479	42,215,525	64,176,180
11. Outside referrals.....				
12. Emergency room and out-of-area.....		41,005,347	40,538,406	77,605,277
13. Prescription drugs.....		103,703,369	1,422,189	53,574,204
14. Aggregate write-ins for other hospital and medical.....	0	1,647,575	1,790,045	3,941,892
15. Incentive pool, withhold adjustments and bonus amounts.....		220,906		
16. Subtotal (Lines 9 to 15).....	16,645,115	479,479,492	343,067,537	765,543,367
Less:				
17. Net reinsurance recoveries.....		2,630,509	727,613	1,811,341
18. Total hospital and medical (Lines 16 minus 17).....	16,645,115	476,848,983	342,339,924	763,732,026
19. Non-health claims (net).....				
20. Claims adjustment expenses, including \$.....10,766,479 cost containment expenses.....	672,948	13,456,967	11,437,367	22,781,732
21. General administrative expenses.....		89,706,392	67,620,956	145,466,426
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....				
23. Total underwriting deductions (Lines 18 through 22).....	17,318,063	580,012,342	421,398,247	931,980,184
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	15,570,249	37,937,046	68,475,123
25. Net investment income earned.....		515,407	578,861	1,090,220
26. Net realized capital gains (losses) less capital gains tax of \$.....0.....		39,022		102,176
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	554,429	578,861	1,192,396
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....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	16,124,678	38,515,907	69,667,519
31. Federal and foreign income taxes incurred.....	XXX	5,381,408	13,404,823	24,324,454
32. Net income (loss) (Lines 30 minus 31).....	XXX	10,743,270	25,111,084	45,343,065

DETAILS OF WRITE-INS

0601. Performance Revenue.....	XXX	6,363,241	2,621,518	1,682,964
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	6,363,241	2,621,518	1,682,964
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX	0	0	0
1401. Transportation Costs.....		1,647,575	1,790,045	3,941,892
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	1,647,575	1,790,045	3,941,892
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year.....	115,765,925	98,938,636	98,938,636
34. Net income or (loss) from Line 32.....	10,743,270	25,111,084	45,343,065
35. Change in valuation basis of aggregate policy and claim reserves.....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....		110,412	110,411
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....	686,479	(153,550)	(71,021)
39. Change in nonadmitted assets.....	(2,878,149)	339,325	444,834
40. Change in unauthorized reinsurance.....			
41. Change in treasury stock.....			
42. Change in surplus notes.....			
43. Cumulative effect of changes in accounting principles.....			
44. Capital changes:			
44.1 Paid in.....			
44.2 Transferred from surplus (Stock Dividend).....			
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....			
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....	(16,000,000)	(29,000,000)	(29,000,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(7,448,400)	(3,592,729)	16,827,289
49. Capital and surplus end of reporting period (Line 33 plus 48).....	108,317,525	95,345,907	115,765,925

DETAILS OF WRITE-INS

4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0	0

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.....	578,844,110	457,594,479	995,462,374
2. Net investment income.....	1,220,448	1,260,987	2,585,742
3. Miscellaneous income.....	6,363,241	2,621,518	1,682,964
4. Total (Lines 1 through 3).....	586,427,799	461,476,984	999,731,080
5. Benefit and loss related payments.....	482,559,550	349,673,840	750,777,166
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	109,718,692	89,725,493	170,251,610
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	7,345,875	24,251,946	29,411,760
10. Total (Lines 5 through 9).....	599,624,117	463,651,279	950,440,536
11. Net cash from operations (Line 4 minus Line 10).....	(13,196,318)	(2,174,295)	49,290,544
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	19,583,182	10,201,000	25,945,349
12.2 Stocks.....		5,096,530	16,000,594
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	19,583,182	15,297,530	41,945,942
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	4,229,185	7,663,949	27,474,642
13.2 Stocks.....		5,096,530	16,000,594
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	4,229,185	12,760,479	43,475,236
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	15,353,996	2,537,051	(1,529,293)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....	16,000,000	29,000,000	29,000,000
16.6 Other cash provided (applied).....	44,638	1,547,999	(2,689,739)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(15,955,362)	(27,452,001)	(31,689,739)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(13,797,684)	(27,089,245)	16,071,512
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	120,615,257	104,543,745	104,543,745
19.2 End of period (Line 18 plus Line 19.1).....	106,817,573	77,454,500	120,615,257

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

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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at End of:										
1. Prior Year.....	248,004							170	247,834	
2. First Quarter.....	248,950							183	248,767	
3. Second Quarter.....	259,676							197	259,479	
4. Third Quarter.....	0									
5. Current Year.....	0									
6. Current Year Member Months.....	1,507,515							1,092	1,506,423	
Total Member Ambulatory Encounters for Period:										
7. Physician.....	680,029							983	679,046	
8. Non-Physician.....	1,018,218							1,416	1,016,802	
9. Total.....	1,698,247	0	0	0	0	0	0	2,399	1,695,848	0
10. Hospital Patient Days Incurred.....	79,125							266	78,859	
11. Number of Inpatient Admissions.....	17,287							44	17,243	
12. Health Premiums Written (a).....	591,135,739							1,203,472	589,932,267	
13. Life Premiums Direct.....	0									
14. Property/Casualty Premiums Written.....	0									
15. Health Premiums Earned.....	591,135,739							1,203,472	589,932,267	
16. Property/Casualty Premiums Earned.....	0									
17. Amount Paid for Provision of Health Care Services.....	482,559,551							1,198,194	481,361,357	
18. Amount Incurred for Provision of Health Care Services.....	479,479,492							980,283	478,499,209	

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(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees \$.....1,203,472.

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)						
CVS / Caremark Corp.....	9,892,731					9,892,731
0199999. Individually Listed Claims Unpaid.....	9,892,731	0	0	0	0	9,892,731
0399999. Aggregate Accounts Not Individually Listed-Covered.....	4,517,317					4,517,317
0499999. Subtotals.....	14,410,048	0	0	0	0	14,410,048
0599999. Unreported Claims and Other Claim Reserves.....						54,916,546
0799999. Total Claims Unpaid.....						69,326,594

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 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 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 December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....					0	
2. Medicare Supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal Employees Health Benefits Plan.....					0	
6. Title XVIII - Medicare.....	122,783	1,075,411	17,073	251,450	139,856	299,995
7. Title XIX - Medicaid.....	72,877,625	408,483,732	297,113	68,760,958	73,174,738	73,185,014
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	73,000,408	409,559,143	314,186	69,012,408	73,314,594	73,485,009
10. Healthcare receivables (a).....				17,518,828	0	15,966,676
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9-10+11+12).....	73,000,408	409,559,143	314,186	51,493,580	73,314,594	57,518,333

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies**A. Accounting Practices**

The financial statements of Molina Healthcare of Ohio, Inc. (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance (ODI) recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio insurance law. The National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* (the "Manual") has been adopted as a component of prescribed or permitted practices by the state of Ohio.

The state has adopted certain prescribed accounting practices that differ from those found in the Manual. Specifically,

- (1) Provides limitations on investments that are outside the scope of the Manual.
- (2) Provides for establishment of statutory premium reserve - provides a calculation method that differs from the Manual.

Such prescribed accounting practices have no significant effect on the Company's statutory-basis financial statements for the periods presented.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments**D. Loan-Backed Securities:**

As of June 30, 2012, \$5,250,000 of the Company's investments in bonds consisted of auction rate securities (loan-backed securities).

(1) Prepayment assumptions for auction rate securities are included in the broker-dealer's valuation model.

(2),(3) No OTTI recognized

(4) a.,b. As of June 30, 2012, these securities had a fair value of \$4,719,768, for an aggregate total of \$530,232 in unrealized losses; such securities have been in a continuous loss position for 12 months or longer.

(5) Due to events in the credit markets, these auction rate securities experienced failed auctions beginning in the first quarter of 2008. As such, quoted prices in active markets were not readily available during the majority of 2008, all of 2009, 2010 and 2011, and continued to be unavailable as of June 30, 2012. To estimate the fair value of these securities, the Company uses valuations from third party pricing models that include factors such as the collateral underlying the securities, the creditworthiness of the counterparty, the timing of expected future cash flows, and the expectation of the next time the security would have a successful auction. To validate the reasonableness of these valuations, the Company compares such valuations to other third party valuations that provide a range of prices representing indicative bids from potential buyers. The Company concluded that these estimates, given the lack of market available pricing, provided a reasonable basis for determining fair value of the auction rate securities as of June 30, 2012.

The Company attributes the decline in market value of these loan-backed securities to liquidity issues, as a result of the failed auction market, rather than to credit issues. Because the decline in market value is not due to the credit quality of the issuers, and because the Company does not intend to sell, nor is it more likely than not that the Company will be required to sell, these investments before recovery of their cost, the Company does not consider the auction rate securities that are designated as available-for-sale to be other-than-temporarily impaired at June 30, 2012.

NOTES TO FINANCIAL STATEMENTS**6. Joint Ventures, Partnerships and Limited Liability Companies**

None

7. Investment Income

The Company had no investment income that was excluded in 2012 or 2011. All of the Company's investments and the income derived from such investments meet the criteria for admitted receivables.

8. Derivative Instruments

None

9. Income Taxes

A.(1) The Company's net deferred tax asset (all ordinary) is reflected on the following schedule:

	06/30/12	12/31/11
Total of all deferred tax assets	\$1,948,810	\$1,423,151
Statutory valuation allowance	-	-
Adjusted gross deferred tax assets	1,948,810	1,423,151
Total of all deferred tax liabilities	(58,625)	(219,446)
Net deferred tax asset(liability) before admissibility test	1,890,185	1,203,705
Total deferred tax assets non-admitted	161,225	-
Net admitted DTA or DTL	1,728,960	1,203,705

(2) Not applicable

(3) Not applicable

(4) Admission calculation components are as follows:

	06/30/12	12/31/11
Admitted pursuant to par. 11.a.	\$1,728,960	\$1,203,705
Admitted pursuant to par, 11.b. (lesser of 11.b.ii. below)	-	-
Par 11.b.i.	-	-
Par 11.b.ii.	15,987,590	10,300,006
Admitted pursuant to 11.c.	58,625	219,446
Admitted deferred tax assets	1,787,585	\$1,423,151

ExDTA ACL RBC Ratio

405%

435%

(5) Not applicable

(6) Not applicable

B. All deferred federal tax liabilities were recognized as an offset to deferred tax assets.

C. Current Tax and Change in Deferred Tax.

Current income taxes incurred consist of the following major components:

	06/30/12	12/31/11
Current income tax expense (benefit)	\$5,367,896	\$24,705,565
Tax on capital gains	13,636	35,762
Prior year under accrual (over accrual)	(124)	(416,872)
Federal income tax expense (benefit)	\$5,381,408	\$24,324,455

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

NOTES TO FINANCIAL STATEMENTS

	06/30/12	12/31/11	Change	Character
Deferred tax assets:				
Discounting of unpaid losses	\$473,297	\$497,479	(\$24,182)	ordinary
Unearned premium reserve	14,844	-	14,844	ordinary
Fixed assets	272,240	179,305	92,935	ordinary
Compensation and benefits accrual	191,276	149,196	42,080	ordinary
Receivables - nonadmitted	885,647	10,053	875,594	ordinary
Other	111,506	587,118	(475,612)	ordinary
Total deferred tax assets	1,948,810	1,423,151	525,659	
Non-admitted deferred tax assets	(161,225)	-	(161,225)	
Admitted deferred tax assets	1,787,585	1,423,151	364,434	
Deferred tax liabilities:				
Other	(58,625)	(219,446)	160,821	ordinary
Total deferred tax liabilities	(58,625)	(219,446)	160,821	
Non-admitted deferred tax liabilities	-	-	-	
Admitted deferred tax liabilities	(58,625)	(219,446)	160,821	
Net admitted deferred tax assets	\$1,728,960	\$1,203,705	\$525,255	

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-Admitted Assets is reported separately from the Change in Deferred Income taxes in the surplus section of the Annual Statement):

	06/30/12	12/31/11	Change
Total deferred tax assets	\$1,948,810	\$1,423,151	\$525,659
Total deferred tax liabilities	(58,625)	(219,446)	160,821
Net deferred tax asset (liability)	1,890,185	1,203,705	686,480
Tax effect of unrealized (gains)/losses			-
Change in net deferred income tax assets - increase (decrease)			\$ 686,480

The Company is subject to taxation in the United States. With few exceptions, the Company is no longer subject to U.S. federal tax examination for tax years before 2008.

- D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory federal tax rate to income before income taxes. The significant items causing this difference are as follows:

	Amount	Tax Effect	Effective Tax Rate
Taxes on income at federal statutory tax rate	\$14,355,678	\$5,024,487	35.00%
Changes in nonadmitted assets	(949,449)	(332,307)	-2.31%
Meals and entertainment	5,690	1,992	0.01%
Other, including Prior Year True-up	2,160	756	0.01%
Reported tax expense	\$13,414,079	\$4,694,928	32.71%

Federal and foreign income taxes incurred	\$5,381,408	37.49%
Change in net deferred income taxes	(686,480)	-4.78%
Total statutory income taxes	4,694,928	32.71%

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

A. No significant change.

B.,C. The Company paid an ordinary dividend totaling \$16 million to Molina Healthcare, Inc. (the Parent) on May 9, 2012.

D. No significant change.

E. On September 9, 2011, the Parent entered into a credit agreement for a \$170.0 million revolving Credit Facility with various lenders to be used for general corporate purposes. The Credit Facility is collateralized by the Company's common stock, as well as the common stock of other subsidiaries of the Parent. \$50.0 million was outstanding under this Credit Facility as of June 30, 2012. As of June 30, 2012, the Parent was in compliance with all financial covenants under the Credit Facility.

NOTES TO FINANCIAL STATEMENTS

F. - L. No significant change.

11. Debt

None

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

No significant change.

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

No significant change.

14. Contingencies

A. Contingent Commitments: As described in Note 10.E. above, the Parent has entered into a credit facility, which is collateralized by the Company's common stock, as well as the common stock of other subsidiaries of the Parent. \$50.0M was outstanding under this Credit Facility at June 30, 2012.

B. - E. No significant change

15. Leases

No significant change.

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

No significant change.

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

C. There were no wash sales during the period ended June 30, 2012.

18. Gain or Loss to the Reporting Entity from Uninsured Accident and Health 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) Assets Measured at Fair Value on a Recurring Basis: The Company's assets measured at fair value on a recurring basis include primarily short-term money market funds, which are classified as short-term investments. The Plan receives monthly statements from investment brokers that provide market pricing.

(1)	(2)	(3)	(4)	(5)
Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Money market funds	\$ 64,498,564			\$64,498,564
Short-term bonds		\$ 6,387,691		\$ 6,387,691
Total assets at fair value	\$ 64,498,564	\$ 6,387,691		\$70,886,255
b. Liabilities at fair value				
None (see (3) below)				

In prior periods the Company reported its investments in corporate debt securities, municipal securities and certificates of deposit in Level 1. As a result of analysis of the characteristics of the financial instruments, the Company determined that these investments should be reported in Level 2, and have reclassified the tabular disclosure accordingly.

NOTES TO FINANCIAL STATEMENTS

(2) None

(3) None

(4) Level 2 financial instruments consist of investments including corporate debt securities and municipal securities, which are classified as short-term investments. The financial instruments classified as Level 2 are traded frequently though not necessarily daily. Fair value for these securities is determined using a market approach based on quoted prices for similar securities in active markets or quoted prices for identical securities in inactive markets.

(5) None

B. - C.

(1)	(2)	(3)	(4)	(5)	(6)
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)
Bonds	\$ 48,376,465	\$ 48,808,785	\$ 3,414,467	\$ 40,242,230	\$ 4,719,768
Investment income receivable	527,695	527,695			527,695
Uncollected premiums	21,977,450	21,977,450			21,977,450
Amounts receivable related to uninsured plans	70,650	70,650			70,650
Federal income taxes recoverable	1,607,031	1,607,031			1,607,031
Health care and other receivables	17,022,426	14,493,823			17,022,426
Total	\$ 89,581,717	\$ 87,485,434	\$ 3,414,467	\$ 40,242,230	\$ 45,925,020

The Company's statutory-basis balance sheets include the following financial instruments: bonds (stated at amortized cost), investment income due and accrued, and receivables. The Company believes the carrying amounts of current assets and current liabilities in the statutory-basis financial statements approximate the fair value of these financial instruments because of the relatively short period of time between the origination of the instruments and their expected realization or payment.

21. Other Items

C. On April 6, 2012, the Ohio Department of Jobs and Family Services ("ODJFS") notified the Company that it had not been selected to participate under the recently issued Ohio Medicaid Managed Care Plan Request for Applications, or RFA. The Company appealed the outcome of the RFA process on April 16, 2012. On June 8, 2012, after rescoring the RFAs, ODJFS selected the Company to participate in the Ohio Medicaid Program.

22. Events Subsequent

On June 19, 2012, the Company's Board of Directors declared an ordinary dividend in the amount of \$20 million. The dividend was paid on July 27, 2012, upon receiving approval from the Ohio Department of Insurance.

23. Reinsurance

No significant change

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

NOTES TO FINANCIAL STATEMENTS

25. Change in Incurred Claims and Claim Adjustment Expenses

The change in prior year estimated claims reserves represents favorable development in claims experience. Original estimates are increased or decreased as additional information becomes known regarding incurred reported claims.

Claims unpaid activity as of June 30, and for the year then ended, is summarized as follows:

	<u>2012</u>	<u>2011</u>
Unpaid claims liabilities and claims adjustment expenses, beginning of year	\$ 74,466,273	\$ 53,846,269
Add provision for claims, net of reinsurance:		
Current year	477,903,841	772,361,824
Prior years	(1,054,858)	(8,629,798)
Net incurred claims during the current year	<u>476,848,983</u>	<u>763,732,026</u>
Deduct paid claims, net of reinsurance:		
Current year	\$ 409,559,143	\$ 700,778,252
Prior years	73,000,407	44,772,108
Net paid claims during the current year	<u>482,559,550</u>	<u>745,550,360</u>
Current year change in claims adjustment expenses	61,449	(25,223)
Current year change in health care receivables	1,018,078	2,947,167
Current year change in amounts due from reinsurers	534,075	(483,606)
Unpaid claims liabilities and claims adjustment expenses, end of year	<u>\$ 70,369,308</u>	<u>\$ 74,466,273</u>

The change in prior year estimated claims reserves represents favorable development in claims experience. Original estimates are increased or decreased as additional information becomes known regarding incurred reported claims.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

No significant change.

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

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 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 [X] No [] N/A []
If yes, attach an explanation.

In June 2012 the plan entered into a 2012-1 AMENDMENT TO SERVICES AGREEMENT, effective 06/22/12, with Molina Healthcare, Inc. amending Section 5 of Attachment 1 clarifying the existing agreement

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006.....

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. 12/31/2006.....

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). 4/10/2008.....

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 [] N/A []

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

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

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

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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES - GENERAL

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

PART 1 - 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:

PART 1 - 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.....	\$0	\$0
14.22 Preferred Stock.....	\$0	\$0
14.23 Common Stock.....	\$0	\$0
14.24 Short-Term Investments.....	\$0	\$0
14.25 Mortgage Loans on Real Estate.....	\$0	\$0
14.26 All Other.....	\$0	\$0
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.....	\$0	\$0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.

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

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

1 Name of Custodian(s)	2 Custodian Address
US Bank	60 Livingston Ave, St Paul, MN 55107
Citi Group	333 W. 34th St., NY, NY 10001

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
149777	Morgan Stanley Smith Barney	555 California St 35th Fl, San Francisco, CA 94104

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1.	Operating Percentages:		
	1.1 A&H loss percent	82.9 %	
	1.2 A&H cost containment percent	1.8 %	
	1.3 A&H expense percent excluding cost containment expenses	15.6 %	
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.		0
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 amount of funds administered as of the reporting date.		0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (YES or NO)
A&H Non-Affiliates						
93572.....	43-1235868.....	01/01/2012	RGA Reinsurance Company.....	MO.....	SSL/G.....	YES.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 through 7	
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. District of 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		1,203,472	589,932,267				591,135,739	
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		.0	1,203,472	589,932,267	.0	.0	.0	591,135,739	.0
60. Reporting entity contributions for Employee Benefit Plans.....XXX								.0	
61. Total (Direct Business).....(a)	1	.0	1,203,472	589,932,267	.0	.0	.0	591,135,739	.0

DETAILS OF WRITE-INS

5801.....								.0	
5802.....								.0	
5803.....								.0	
5898. Summary of remaining write-ins for line 58 from overflow page.....		.0	.0	.0	.0	.0	.0	.0	.0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....		.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.

**Sch. Y-Part 1
NONE**

**Schedule Y-Part 1A
NONE**

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?

SEE EXPLANATION

Explanation:

1. This line of business is not written by the company.

Bar Code:



Overflow Page for Write-Ins

NONE

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	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
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	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
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	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
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.....	64,626,405	64,410,108
2. Cost of bonds and stocks acquired.....	4,229,185	43,475,236
3. Accrual of discount.....	6,223	1,125
4. Unrealized valuation increase (decrease).....		110,411
5. Total gain (loss) on disposals.....	39,022	102,176
6. Deduct consideration for bonds and stocks disposed of.....	19,583,182	41,945,942
7. Deduct amortization of premium.....	508,868	1,526,708
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	48,808,785	64,626,405
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	48,808,785	64,626,405

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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	128,135,046	884,193,966	889,928,281	(2,215,249)	128,135,046	120,185,483		142,766,142
2. Class 2 (a).....	55,263,732	523,501,299	532,299,000	40,420	55,263,732	46,506,451		51,757,343
3. Class 3 (a).....				1,868,000		1,868,000		
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	183,398,778	1,407,695,266	1,422,227,281	(306,829)	183,398,778	168,559,934	0	194,523,484
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	183,398,778	1,407,695,266	1,422,227,281	(306,829)	183,398,778	168,559,934	0	194,523,484

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(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 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals.....	70,886,254	XXX	70,885,377	34,640	13,784

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.....	78,455,232	104,797,471
2. Cost of short-term investments acquired.....	1,680,475,242	1,687,678,508
3. Accrual of discount.....	10,183	12,624
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	1,688,046,446	1,713,826,524
7. Deduct amortization of premium.....	7,956	206,847
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	70,886,255	78,455,232
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	70,886,255	78,455,232

**Sch. DB-Pt A-Verification
NONE**

**Sch. DB-Pt B-Verification
NONE**

**Sch. DB-Pt C-Sn 1
NONE**

**Sch. DB-Pt C-Sn 2
NONE**

**Sch. DB-Verification
NONE**

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.....	51,441,848	
2. Cost of cash equivalents acquired.....	974,461,432	647,699,909
3. Accrual of discount.....	79,798	60,519
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	(61)	
6. Deduct consideration received on disposals.....	976,986,122	596,311,000
7. Deduct amortization of premium.....		7,580
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	48,996,895	51,441,848
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	48,996,895	51,441,848

**Sch. A-Pt 2
NONE**

**Sch. A-Pt 3
NONE**

**Sch. B-Pt 2
NONE**

**Sch. B-Pt 3
NONE**

**Sch. BA-Pt 2
NONE**

**Sch. BA-Pt 3
NONE**

**Sch. D-Pt 3
NONE**

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n Date	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 Desig- nation 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.							
Bonds - U.S. Special Revenue and Special Assessment																					
28148N AV 5	EDL FDG-ARS-TXB-SR-B2	05/22/2012	REDEEMED		1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000			0	14,203	12/01/2035	1FE	
28148N AQ 6	EDL FDG-AUCTION-B-1	05/22/2012	REDEEMED		1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000			0	13,048	12/01/2035	1FE	
612130 HQ 0	MT HGR ED SR-SER B	05/02/2012	REDEEMED		300,000	300,000	300,000	300,000				0		300,000			0	118	12/01/2040	1FE	
68607V WV 3	OR ST DEPT ADM-TXB-B	04/01/2012	MATURITY		425,000	425,000	426,292	425,177			(177)	(177)		425,000			0	3,039	04/01/2012	1FE	
3199999.	Total - Bonds - U.S. Special Revenue & Assessment				2,725,000	2,725,000	2,726,292	2,725,177			0	(177)	0	(177)	2,725,000	0	0	0	30,408	XXX	XXX
Bonds - Industrial and Miscellaneous																					
071813 BB 4	BAXTER INTERNATIONAL INC	04/20/2012	REDEEMED		1,010,300	1,000,000	1,013,220	1,007,168			(1,865)	(1,865)		1,005,303		4,997	4,997	11,000	03/15/2013	1FE	
438516 AW 6	HONEYWELL INTERNATIONAL	04/20/2012	REDEEMED		2,061,180	2,000,000	2,138,180	2,073,650			(19,787)	(19,787)		2,053,863		7,317	7,317	55,250	03/01/2013	1FE	
459200 GN 5	IBM CORP	05/30/2012	REDEEMED		808,245	750,000	864,263	811,695			(14,445)	(14,445)		797,250		10,995	10,995	31,010	10/15/2013	1FE	
58013M ED 2	MCDONALD'S CORP	04/20/2012	REDEEMED		1,030,800	1,000,000	1,067,420	1,036,002			(9,668)	(9,668)		1,026,334		4,466	4,466	27,950	03/01/2013	1FE	
59217G AB 5	MET LIFE GLOB FUNDING I	04/10/2012	MATURITY		1,000,000	1,000,000	1,001,870	1,000,300			(300)	(300)		1,000,000			0	4,986	04/10/2012	1FE	
617446 HC 6	MORGAN STANLEY	04/01/2012	MATURITY		2,000,000	2,000,000	2,134,960	2,027,749			(27,749)	(27,749)		2,000,000			0	66,000	04/01/2012	1FE	
3899999.	Total - Bonds - Industrial & Miscellaneous				7,910,525	7,750,000	8,219,913	7,956,564			0	(73,813)	0	(73,813)	7,882,751	0	27,774	27,774	196,197	XXX	XXX
8399997.	Total - Bonds - Part 4				10,635,525	10,475,000	10,946,205	10,681,740			0	(73,990)	0	(73,990)	10,607,751	0	27,774	27,774	226,605	XXX	XXX
8399999.	Total - Bonds				10,635,525	10,475,000	10,946,205	10,681,740			0	(73,990)	0	(73,990)	10,607,751	0	27,774	27,774	226,605	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks				10,635,525	XXX	10,946,205	10,681,740			0	(73,990)	0	(73,990)	10,607,751	0	27,774	27,774	226,605	XXX	XXX

QE05

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

**Sch. DB-Pt A-Sn 1
NONE**

**Sch. DB-Pt B-Sn 1
NONE**

**Sch. DB-Pt B-Sn 1B-Broker List
NONE**

**Sch. DB-Pt D
NONE**

**Sch. DL-Pt. 1
NONE**

**Sch. DL-Pt. 2
NONE**

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								
Salomon Smith Barney.....						.....341	.....23	XXX..
JP Morgan Chase..... Columbus, Ohio.....					.....2,800,191	.....10,604,517	.....1,951,576	XXX..
JP Morgan Chase..... Columbus, Ohio.....					.....313,083	.....113,448	.....357,611	XXX..
JP Morgan Chase..... Columbus, Ohio.....					.....(16,896)	.....(17,725)	.....(15,235)	XXX..
US Bank..... St. Paul, MN.....					.....(13,890,493)	.....(10,319,666)	.....(14,837,427)	XXX..
US Bank..... St. Paul, MN.....					.....(36,548)	.....(11,217)	.....(17,802)	XXX..
US Bank..... St. Paul, MN.....					.....(295,941)	.....(190,396)	.....(504,323)	XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	.....0	.....0	.....(11,126,604)	.....179,302	.....(13,065,577)	XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	.....0	.....0	.....(11,126,604)	.....179,302	.....(13,065,577)	XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	.....0	.....0	.....(11,126,604)	.....179,302	.....(13,065,577)	XXX..

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
AXA Financial, Inc.....		06/29/2012			4,999,778		
Arizona Public Service Company.....		06/29/2012			4,999,951		
Bemis Company, Inc.....		06/19/2012			4,999,167		
Dominion Resources, Inc.....		06/19/2012			4,999,188		
Holcim US Finance S.a r.l.....		06/19/2012			4,999,875		
Marriott International, Inc.....		06/19/2012			4,999,458		
Michelin Luxembourg SCS, Societe En Commandite Simple.....		06/26/2012			4,999,949		
Pacific Gas and Electric Company.....		06/19/2012			3,999,671		
Piedmont Natural Gas Company, Inc.....		06/19/2012			4,999,906		
VW Credit, Inc.....		06/29/2012			4,999,953		
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					48,996,895	.0	.0
3899999. Total - Industrial and Miscellaneous (Unaffiliated).....					48,996,895	.0	.0
Total Bonds							
7799999. Subtotals - Issuer Obligations.....					48,996,895	.0	.0
8399999. Subtotals - Bonds.....					48,996,895	.0	.0
8699999. Total - Cash Equivalents.....					48,996,895	.0	.0

QE12