

QUARTERLY STATEMENT

OF THE

DEALERS ASSURANCE COMPANY

of **UPPER ARLINGTON**

in the state of **OHIO**

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

June 30, 2012

PROPERTY AND CASUALTY

2012



16705201220100102

QUARTERLY STATEMENT

AS OF JUNE 30, 2012
OF THE CONDITION AND AFFAIRS OF THE

Dealers Assurance Company

NAIC Group Code 0000, 0000 NAIC Company Code 16705 Employer's ID Number 34-6513705

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

Incorporated/Organized August 2, 1935 Commenced Business August 2, 1935
Statutory Home Office 3518 Riverside Drive Upper Arlington, OH 43221

Main Administrative Office 3518 Riverside Drive Upper Arlington, OH 43221 800-282-8913

Mail Address 3518 Riverside Drive Upper Arlington, OH 43221

Primary Location of Books and Records 3518 Riverside Drive Upper Arlington, OH 43221 800-282-8913

Internet Website Address www.dealersassurance.com

Statutory Statement Contact Daniel George 800-282-8913-208
dgeorge@dealersassurance.com 614-459-2665

OFFICERS

Table with 2 columns: Name, Title. Rows include Kirk Alan Borchardt (CEO/President), Daniel Eric George (CFO/Secretary), Sharon Mae Spohn (Treasurer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Row includes Edmond Melger Eckert (Vice President).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include James Bradford Smith, Edmond Melgar Eckert, Sharon Mae Spohn, Kirk Alan Borchardt, Daniel Eric George.

State of Ohio
County of Franklin ss

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

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

Subscribed and sworn to before me this 10th day of August, 2012
a. Is this an original filing? [X] Yes [] 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	61,077,637		61,077,637	57,592,110
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	3,776,345		3,776,345	3,430,747
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 5,610,557), cash equivalents (\$ 0), and short-term investments (\$ 2,028,748)	7,639,305		7,639,305	10,591,583
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	72,493,287		72,493,287	71,614,440
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	577,160		577,160	540,953
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,408,089		1,408,089	2,941,331
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				177,553
18.2 Net deferred tax asset	505,287		505,287	607,353
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,140,147	1,140,147		
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	1,198,859	13,793	1,185,066	538,859
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	77,322,829	1,153,940	76,168,889	76,420,489
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	77,322,829	1,153,940	76,168,889	76,420,489

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Accounts Receivable	1,185,066		1,185,066	532,449
2502. Prepaid Expenses	13,793	13,793		
2503. Dividend Receivable				6,410
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,198,859	13,793	1,185,066	538,859

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 23,743)	25,073	429,981
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	943	1,691
4. Commissions payable, contingent commissions and other similar charges	435,659	457,398
5. Other expenses (excluding taxes, licenses and fees)	403,689	507,642
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	416,689	669,391
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	503,148	
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 150,147,594 and including warranty reserves of \$ 12,996,799 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	14,258,119	13,674,209
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,612,007	1,205,678
13. Funds held by company under reinsurance treaties	4,474,190	4,433,303
14. Amounts withheld or retained by company for account of others	7,308,852	6,867,634
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities	2,186	4,017,882
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	29,440,555	32,264,809
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	29,440,555	32,264,809
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,200,990	4,200,990
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes	3,000,000	3,000,000
34. Gross paid in and contributed surplus	9,232,810	9,232,810
35. Unassigned funds (surplus)	30,294,534	27,721,880
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	46,728,334	44,155,680
38. Totals (Page 2, Line 28, Col. 3)	76,168,889	76,420,489

DETAILS OF WRITE-IN LINES		
2501.	NONE	
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.	NONE	
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.	NONE	
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 66,019,964)	45,351,241	34,237,610	9,179,007
1.2 Assumed (written \$ 6,398,340)	980,441	304	
1.3 Ceded (written \$ 67,609,491)	40,982,360	30,212,327	
1.4 Net (written \$ 4,808,813)	5,349,322	4,025,587	9,179,007
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct	28,631,609	22,336,703	860,740
2.2 Assumed	347,128	(29,545)	
2.3 Ceded	28,724,047	22,106,136	
2.4 Net	254,690	201,022	860,740
3. Loss adjustment expenses incurred	199,720	154,780	378,132
4. Other underwriting expenses incurred	1,961,295	1,504,926	3,455,525
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	2,415,705	1,860,728	4,694,397
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	2,933,617	2,164,859	4,484,610
INVESTMENT INCOME			
9. Net investment income earned	566,543	625,956	1,218,831
10. Net realized capital gains (losses) less capital gains tax of \$ 0	11,134	127,341	752,910
11. Net investment gain (loss) (Lines 9 + 10)	577,677	753,297	1,971,741
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	32,660	17,949	28,307
15. Total other income (Lines 12 through 14)	32,660	17,949	28,307
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	3,543,954	2,936,105	6,484,658
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	3,543,954	2,936,105	6,484,658
19. Federal and foreign income taxes incurred	1,209,701	1,040,508	2,024,233
20. Net income (Line 18 minus Line 19) (to Line 22)	2,334,253	1,895,597	4,460,425
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	44,155,680	39,586,091	39,586,091
22. Net income (from Line 20)	2,334,253	1,895,597	4,460,425
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	247,241	179,833	(288,241)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(102,066)	16,208	(235,259)
27. Change in nonadmitted assets	93,226	358,322	358,664
28. Change in provision for reinsurance		(13,000)	274,000
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	2,572,654	2,436,960	4,569,589
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	46,728,334	42,023,051	44,155,680

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Roadside Commission	26,957	10,702	16,813
1402. Transfer Fee Income	5,553	7,057	390
1403. Misc. Income	150	190	11,104
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	32,660	17,949	28,307
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	7,872,803	4,591,715	9,212,305
2. Net investment income	827,442	642,859	1,393,936
3. Miscellaneous income	32,660	17,949	28,307
4. Total (Lines 1 to 3)	8,732,905	5,252,523	10,634,548
5. Benefit and loss related payments	659,602	202,874	445,536
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	2,527,720	2,243,454	3,660,869
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	529,000	1,010,000	2,395,433
10. Total (Lines 5 through 9)	3,716,322	3,456,328	6,501,838
11. Net cash from operations (Line 4 minus Line 10)	5,016,583	1,796,195	4,132,710
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	5,917,974	7,326,218	29,224,657
12.2 Stocks	731,992	675,651	2,911,844
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments	247,241		(288,241)
12.7 Miscellaneous proceeds		8,488	4,594,131
12.8 Total investment proceeds (Lines 12.1 to 12.7)	6,897,207	8,010,357	36,442,391
13. Cost of investments acquired (long-term only):			
13.1 Bonds	9,713,035	8,525,626	32,976,754
13.2 Stocks	819,220	660,915	2,910,435
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	4,510,178	180,595	
13.7 Total investments acquired (Lines 13.1 to 13.6)	15,042,433	9,367,136	35,887,189
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(8,145,226)	(1,356,779)	555,202
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			
16.6 Other cash provided (applied)	176,365	(892,918)	1,801,179
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	176,365	(892,918)	1,801,179
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)	(2,952,278)	(453,502)	6,489,091
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	10,591,583	4,102,492	4,102,492
19.2 End of period (Line 18 plus Line 19.1)	7,639,305	3,648,990	10,591,583

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices

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

1b. – 5c. No changes to note

5d. Loan-Backed Securities

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

5e.-8. No changes to note

9. Income Taxes

A. The components of the net deferred tax assets/(liability) at June 30, 2012 are as follows:

1.

	6/30/12			12/31/2011			Change		
	Ordinary	Capital	2012 Total	Ordinary	Capital	2011 Total	Ordinary	Capital	Total
a Gross Deferred Assets	967,420	211,891	1,179,311	975,305	248,697	1,224,002	(7,886)	(38,806)	(44,692)
b Statutory valuation allowance adjustment									
c Adjusted Gross Deferred tax Asset	967,420	211,891	1,179,311	975,305	248,697	1,224,002	(7,886)	(38,806)	(44,692)
d Deferred tax liabilities	(69,142)	0	(69,142)	(12,249)	0	(12,249)	(56,893)		(56,893)
e Subtotal (Net Deferred tax Assets)	898,277	211,891	1,110,168	963,056	248,697	1,211,753	(64,779)	(36,806)	(101,585)
f Deferred Tax Assets Nonadmitted	604,881	0	604,881	604,400	0	604,400	481	0	481
g Net Admitted Deferred Tax Asset	293,396	211,891	505,287	358,656	248,697	607,353	(65,260)	(36,806)	(102,066)

4.

	6/30/12			12/31/2011			Change		
	Ordinary	Capital	2012 Total	Ordinary	Capital	2011 Total	Ordinary	Capital	Total

Admission calculation Components

SSAP No 101

a Federal Income taxes Paid in Prior years Recoverable through Loss Carrybacks	0	0	0	0	0	0	0	0	0
b Adjusted Gross Deferred Tax assets Expected to be Realized (Excluding the amount of Deferred Tax Assets from 2 (a) 1 and 2 (b) 2 below)	362,538	211,891	574,429	975,305	248,697	1,224,002	(612,767)	(36,806)	(649,573)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet	362,538	211,891	574,429	975,305	248,697	1,224,002	(612,767)	(36,806)	(649,573)
2. Adjusted Gross Deferred Tax Assets Allowed per the Threshold Limitation	XXX	XXX	6,933,457	XXX	XXX	6,532,249	XXX	XXX	401,208
c Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from 2 (a) and 2 (b) above) Offset by Gross Deferred Tax Liabilities	(69,142)	0	(69,142)	(616,649)	0	(616,649)	547,507	0	547,507
d Deferred Tax Assets Admitted as the result of application of SSAP 101 Total (2 (a) + 2 (b) +2 (c))	293,396	211,891	505,287	358,656	248,697	607,353	(65,260)	(36,806)	(102,066)
m ExDTA ACL RBC Ratio or the Adjusted Gross DTA/Adjusted Capital and Surplus Ratio, as applicable	XXX	XXX	15%	XXX	XXX	15%	XXX	XXX	0
n Amount of Adjusted Capital and Surplus used to Determine the Percentage Threshold Limitation	XXX	XXX	46,223,047	XXX	XXXX	43,548,327	XXX	XXX	2,545,889

NOTES TO FINANCIAL STATEMENTS

5.

	6/30/12			12/31/2011			Change		
	Ordinary	Capital	2012 Total	Ordinary	Capital	2011 Total	Ordinary	Capital	Total
Impact of Tax Planning Strategies									
a Adjusted Gross DTA's (% of Total Adjusted Gross DTA's)	0%	17.97%	17.97%	0%	20.32%	20.32%	0%	(2.35%)	(2.35%)
b Net Admitted Adjusted Gross DTA's (% of Total Admitted Adjusted Gross DTA's)	0%	41.93%	41.93%	0%	40.95%	40.95%	0%	.99%	.99%

6.

	6/30/12			12/31/2011			Change		
	Ordinary	Capital	2012 Total	Ordinary	Capital	2011 Total	Ordinary	Capital	Total
SSAP No 10R Paragraphs 10a, 10b, and 10c									
a Admitted Deferred Tax Asset	0	0	0	358,656	0	358,656			
b Admitted Assets			0			76,420,489			
c Adjusted Statutory Surplus	0	0	0			44,155,680			
d Total Adjusted Capital from DTA's	0	0	0			358,656			
Increases due to SSAP 10R Paragraph 10e									
e Admitted Deferred Assets	0	0	0		248,697	248,697			
f Admitted Assets			0			76,420,489			
g Statutory Surplus			0			44,155,680			

- B Deferred tax liabilities are not recognized for the following amounts:
The Company did not have any deferred tax liabilities that were not recognized.
- C. Current income taxes incurred consist of the following major components

	2012	2011
Federal	\$ 1,209,701	\$2,024,233
Foreign	0	0
Current income taxes incurred	\$ 1,209,701	\$2,024,233

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

DTA's	6/30/2012	12/31/2011
Change in unearned premium reserves	944,225	929,846
Reserve Discount	2,801	6,113
Accrued Vacation	20,393	20,393
Capital Loss Carry Forward	211,891	248,697
Unrealized Capital Losses	-	18,953
Total DTA's	1,179,310	1,224,002
DTA's Nonadmitted	604,881	604,400
Admitted Deferred Tax Assets	574,429	619,602
DTL's		
Unrealized Capital gains	65,109	-
Discounted Bonds	4,033	12,249
Total DTL's	69,142	12,249
Net Admitted Deferred Tax Asset	505,287	607,353

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

	2012	2011	Change
DTA's resulting from book/tax differences in			
Reserves	944,225	929,846	14,379
Reserve Discount	2,801	6,113	(3,312)
Accrued Vacation	20,393	20,393	-
Capital Loss Carry Forward	211,891	248,697	(36,806)
Unrealized Capital Losses	-	18,953	(18,953)
Total DTA's	1,179,310	1,224,002	(44,692)
DTA's Nonadmitted	604,881	604,400	481
DTL's resulting from book/tax differences in			
Unrealized Capital Gains	65,109	-	65,109
Discount on Bonds	4,033	12,249	(8,216)
Total DTL's	69,142	12,249	56,893

NOTES TO FINANCIAL STATEMENTS

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

	Amount	Tax Effect
Income before taxes	3,543,960	1,204,946
Book over tax reserves	116,782	39,706
Dividends received deduction	(28,731)	(9,769)
Accrued Vacation	-	-
Discounting on Bonds	24,164	8,216
Other	2,764	940
Capital loss carry forward	(623,210)	(211,891)
Total adjustments	(508,231)	(172,799)
Total Income	3,035,729	1,032,148

- E. 1. At December 31, 2011, the Company had \$0 of operating loss carry forward.
 2. The following are income taxes incurred in the current and prior year that will be available for recoupment in the event of future net losses
- | | |
|------|-------------|
| 2011 | \$2,024,233 |
| 2012 | \$1,209,701 |
3. The Company had no protective tax deposits as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2011 or June 30, 2012.

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

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

A.- F. No changes to Note

- G. The parent company, Dealers Alliance Corporation, is a non-insurance entity. The Company had no transactions other than cost allocation with its parent company. Through 09/30/10 (and prior years) Dealers Assurance Company provided funds for federal income tax deposits (on a consolidated basis). In prior years other companies included in consolidated tax return reimbursed their portion of federal income tax deposits on a quarterly basis. However, at June 30, 2012, there was approximately \$1.1M receivable that had not been reimbursed by Dealers Alliance Corporation. Dealers Assurance Company has reflected that receivable on Asset line 23 – Receivables from parent, subsidiaries and affiliates. The Company has listed this receivable as a non admitted asset.
- H-L Dealers Assurance Company holds no investments in its parent company or affiliates.

11. – 16.

No changes to note.

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

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

18. – 19.

No changes to note.

20. Fair Value Measurements

A.

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

(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair value				
Preferred Stock				
Bonds				
Common Stock (Ind & Misc)	\$ 3,776,345			\$ 3,776,345
Derivative assets				
Separate account assets				
Total assets at fair value	\$ 3,776,345	\$ -	\$ -	\$ 3,776,345
b. Liabilities at fair value	\$ -			\$ -
Total liabilities at fair value	\$ -			\$ -

- (2) There have been no significant transfers between level 1 and 2.
 (3-4) Assets measured at Fair Value on a recurring basis with significant unobservable inputs (level 3)
 NONE

21. – 24.

No changes to note.

NOTES TO FINANCIAL STATEMENTS

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2011 were \$431,672. As of June 30, 2012 \$422,879 was paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves for prior year are now \$1,330. There was no re-estimation of unpaid claims and claim adjustment expenses. There has been a \$7,464 prior year development. Business written by DAC is related to service contracts issued on an assortment of consumer goods, but primarily, automobile service contracts. Historically, losses on this coverage are settled within 90 days of incurred date (98.7%); and the balance is settled within 180 days of incurred date.

26. – 35. No changes to note.

36. Financial Guaranty Insurance

The company does not write financial guaranty insurance.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change: _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

.....

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

Yes [] No [X]

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

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

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

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

Yes [X] No []

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

.....

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

Yes [] No [X]

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

.....

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

Yes [] No [X]

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

.....

FINANCIAL

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

Yes [] No [X]

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

\$ _____

INVESTMENT

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

Yes [] No [X]

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

.....

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

\$ _____

GENERAL INTERROGATORIES

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

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

14.2 If yes, please complete the following:

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

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

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

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
Key Bank	Columbus, Ohio
US Bank	Winston Salem NC
Sun Trust	Richmond, VA
Capital One	New Orleans, LA
First National Bankers Bank	Little Rock, AR
Citibank, NA	NY, NY
Bank of Albuquerque	Santa Fe, NM
Merrill Lynch	Charlotte, NC
RBS Citizens, NA	Providence, RI

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
.....
.....

GENERAL INTERROGATORIES

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

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

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

Yes [X] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:
 5.1. A&H loss percent _____ %
 5.2. A&H cost containment percent _____ %
 5.3. A&H expense percent excluding cost containment expenses _____ %

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

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

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

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

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

		1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2	3	4	5	6	7
States, Etc.		Active Status	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1. Alabama	AL	L	1,691,282	1,638,494	805,363	841,582	69,530	61,098
2. Alaska	AK	L						
3. Arizona	AZ	L	508,546	247,147	128,805	59,419	9,983	2,930
4. Arkansas	AR	L	1,273,521	1,115,207	515,268	362,860	36,881	30,382
5. California	CA	L	6,970,709	7,372,975	2,425,630	2,281,003	334,450	278,804
6. Colorado	CO	L	10,077,517	2,502,350	2,537,871	793,339	190,489	85,506
7. Connecticut	CT	L	850,756	699,039	529,823	336,999	33,494	15,161
8. Delaware	DE	L	197,506	277,006	104,087	78,769	14,466	5,386
9. District of Columbia	DC	L						
10. Florida	FL	L	1,497,953	1,981,895	1,193,326	1,263,261	133,088	81,540
11. Georgia	GA	L	3,637,167	193,418	1,665,625	99,261	121,769	8,187
12. Hawaii	HI	N						
13. Idaho	ID	L	1,349	1,665		591	26	54
14. Illinois	IL	L	437,789	102,166	207,545	37,299	13,563	12,475
15. Indiana	IN	L	244,885	127,081	90,025	40,209	4,235	2,062
16. Iowa	IA	L	101,406	119,558	39,089	47,444	4,191	4,556
17. Kansas	KS	L	109,272	117,479	45,897	52,662	4,720	3,931
18. Kentucky	KY	L	269,857	124,618	74,201	64,816	6,136	4,552
19. Louisiana	LA	L	959,200	1,143,969	637,377	576,639	51,896	39,984
20. Maine	ME	L	183,492	228,016	153,068	115,955	10,246	7,734
21. Maryland	MD	L	758,737	631,264	410,175	291,618	27,735	22,601
22. Massachusetts	MA	L	602,453	370,057	257,566	88,960	11,129	5,221
23. Michigan	MI	L	3,479,282	2,922,393	3,585,382	2,582,018	249,295	173,814
24. Minnesota	MN	L	307,574	317,659	263,274	192,642	15,906	16,855
25. Mississippi	MS	L	1,534,112	1,467,326	690,719	551,933	46,591	36,050
26. Missouri	MO	L	839,566	1,299,078	493,812	601,087	45,233	33,749
27. Montana	MT	L	217,039	141,346	77,373	36,148	3,940	2,605
28. Nebraska	NE	L	106,652	147,356	175,817	418,561	30,272	35,437
29. Nevada	NV	L	193,617	236,042	158,877	116,923	12,898	6,920
30. New Hampshire	NH	L	206,352	69,163	76,587	41,380	3,154	2,794
31. New Jersey	NJ	L	500,231	424,084	213,642	196,563	21,048	13,631
32. New Mexico	NM	L	1,803,514	1,723,140	124,012	110,073	10,409	7,594
33. New York	NY	L	2,031,918	2,332,814	1,952,192	2,634,568	157,171	220,127
34. North Carolina	NC	L	2,051,743	760,181	482,335	331,800	45,663	67,178
35. North Dakota	ND	L	46,396	28,955	30,063	9,673	764	175
36. Ohio	OH	L	1,394,041	1,392,594	1,115,484	475,922	24,445	22,395
37. Oklahoma	OK	L	234,588	238,509	141,575	99,778	9,696	8,255
38. Oregon	OR	L	69,901	43,211	18,647	24,523	5,462	1,124
39. Pennsylvania	PA	L	1,889,282	1,417,451	654,871	387,493	47,948	23,688
40. Rhode Island	RI	L	5,840	6,080	2,456		361	
41. South Carolina	SC	L	161,688	19,454	37,947	9,409	3,240	2,240
42. South Dakota	SD	L	6,853	21,500	7,907	10,788	1,032	456
43. Tennessee	TN	L	1,318,245	1,259,617	560,894	581,627	54,937	37,835
44. Texas	TX	L	9,707,427	5,062,252	3,596,122	2,996,011	358,391	255,808
45. Utah	UT	L	6,355	21,033	898	415	186	
46. Vermont	VT	L	152,756	118,326	110,073	67,434	5,450	5,855
47. Virginia	VA	L	638,070	760,933	347,923	315,474	29,034	26,738
48. Washington	WA	L	6,154,358	5,488,670	2,036,043	1,951,365	209,287	185,328
49. West Virginia	WV	L	221,156	213,125	97,359	85,873	7,258	6,032
50. Wisconsin	WI	L	266,538	199,947	111,528	72,225	6,993	8,588
51. Wyoming	WY	L	101,473	77,808	51,433	18,187	1,812	868
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals		(a) 50	66,019,964	47,203,451	29,035,986	22,352,579	2,485,903	1,874,303

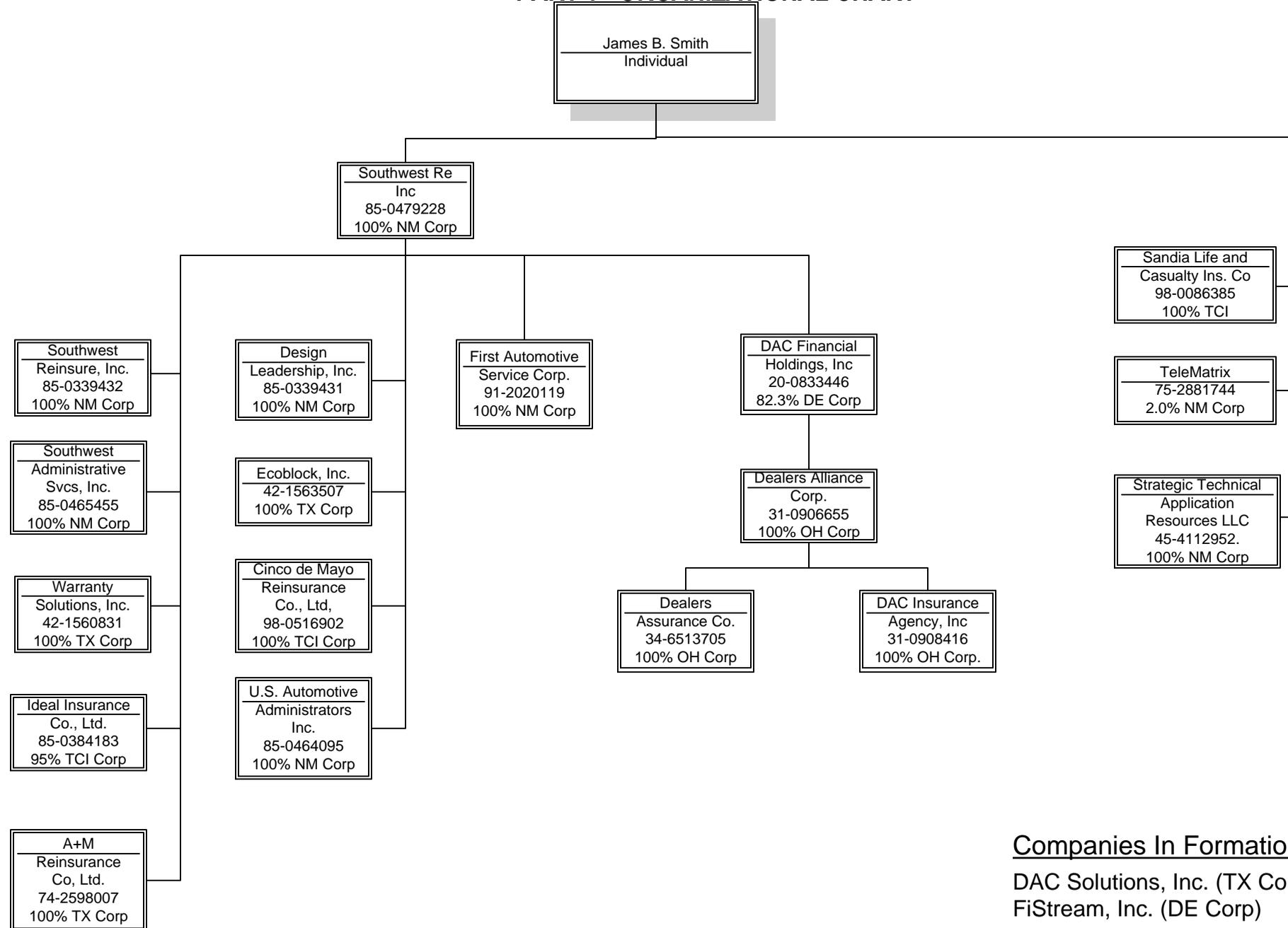
DETAILS OF WRITE-INS							
5801.		X X X					
5802.		X X X					
5803.		X X X					
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X					
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X					

NONE

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG: (R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer:
 (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state: (N) None of the above - Not allowed to write business in the state.
 (a) Insert the number of L responses except for Canada and Other Alien.

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

PART 1 - ORGANIZATIONAL CHART



Companies In Formation

DAC Solutions, Inc. (TX Corp)
FiStream, Inc. (DE Corp)

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
		00000	85-0479228	0	0		Southwest Re, Inc	NM	UIP	James B. Smith	Ownership	100.0	James B. Smith	
		00000	20-0833446	0	0		DAC Financial Holdings, Inc	DE	UIP	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	31-0906655	0	0		Dealers Alliance Corp	OH	UDP	DAC Financial Holdings, Inc	Ownership	100.0	James B. Smith	
		16705	34-6513705	0	0		Dealers Assurance Company	OH		Dealers Alliance Corp.	Ownership	100.0	James B. Smith	
		00000	31-0908416	0	0		DAC Insurance Agency, Inc	OH	IA	Dealers Alliance Corp.	Ownership	100.0	James B. Smith	
		00000	85-0339432	0	0		Southwest Reinsure, Inc	NM	NIA	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	85-0465455	0	0		Southwest Administrative Svcs, Inc	NM	NIA	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	42-1560831	0	0		Warranty Solutions, Inc	TX	NIA	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	85-0384183	0	0		Ideal Insurance Co., LTD	TX	IA	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	74-2598007	0	0		A+M Reinsurance Co., LTD	TX	IA	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	85-0339431	0	0		Design Leadership, Inc	NM	NIA	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	42-1563507	0	0		Ecoblock, Inc	TX	NIA	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	98-0516902	0	0		Cinco de Mayo Reinsurance Co, LTD	TX	IA	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	850464095	0	0		US Automotive Administrators Inc	NM	NIA	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	91-2020119	0	0		First Automotive Service Corp	NM	NIA	Southwest Re, Inc	Ownership	100.0	James B. Smith	
		00000	98-0086385	0	0		Sandia Life and Casualty Co	TX	IA	James B. Smith	Ownership	100.0	James B. Smith	
		00000	75-2881744	0	0		TeleMatrix	TX	NIA	James B. Smith	Ownership	2.0	James B. Smith	
		00000	45-4112952	0	0		Strategic Technical Application Resources, LLC	NM	NIA	James B. Smith	Ownership	100.0	James B. Smith	

PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence	353,591	432	0.1	
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit	325,734	96,956	29.8	
29. International				
30. Warranty	44,671,916	28,534,220	63.9	65.7
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	45,351,241	28,631,608	63.1	65.2

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

PART 2 – DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence		414,142	650,409
17.2 Other liability-claims made			400,845
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit		371,403	896,046
29. International			
30. Warranty		30,375,056	64,473,509
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	31,160,601	66,019,964	47,203,457

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2009 + prior													
2. 2010													
3. Subtotals 2010 + prior													
4. 2011	413	18	431	411	12	423	1			1	(1)	(6)	(7)
5. Subtotals 2011 + prior	413	18	431	411	12	423	1			1	(1)	(6)	(7)
6. 2012	X X X	X X X	X X X	X X X	437	437	X X X	7	18	25	X X X	X X X	X X X
7. Totals	413	18	431	411	449	860	1	7	18	26	(1)	(6)	(7)

8. Prior Year-End Surplus As Regards Policyholders

44,156

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1, Line 7	As % of Col. 2, Line 7	As % of Col. 3, Line 7
1. <u>-0.242</u>	2. <u>-33.333</u>	3. <u>-1.624</u>
		Col. 13, Line 7
		Line 8
		4. <u>-0.016</u>

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

- Question 1: Not Applicable

- Question 2: Not Applicable

- Question 3: Not Applicable

- Question 4: Not Applicable

Bar Code:



16705201249000020



16705201245500020



16705201236500020



16705201250500020

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION**Real Estate**

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

NONE**SCHEDULE B - VERIFICATION****Mortgage Loans**

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

NONE**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

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

NONE**SCHEDULE D - VERIFICATION****Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	61,022,847	57,041,208
2. Cost of bonds and stocks acquired	10,532,251	35,887,188
3. Accrual of discount	11,862	32,464
4. Unrealized valuation increase (decrease)	247,241	(288,241)
5. Total gain (loss) on disposals	11,135	850,029
6. Deduct consideration for bonds and stocks disposed of	6,649,963	32,136,499
7. Deduct amortization of premium	321,391	266,182
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		97,120
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	64,853,982	61,022,847
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	64,853,982	61,022,847

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	58,869,670	9,048,691	8,408,020	(152,144)	58,869,670	59,358,197		63,053,106
2. Class 2 (a)	3,755,335			(7,144)	3,755,335	3,748,191		2,676,461
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	62,625,005	9,048,691	8,408,020	(159,288)	62,625,005	63,106,388		65,729,567
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	62,625,005	9,048,691	8,408,020	(159,288)	62,625,005	63,106,388		65,729,567

S102

(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 \$ 326,389; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	2,028,749	X X X	2,028,749	751	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	8,137,458	2,928,765
2. Cost of short-term investments acquired	6,127,638	14,992,192
3. Accrual of discount	59	22
4. Unrealized valuation increase (decrease)		(20)
5. Total gain (loss) on disposals		20
6. Deduct consideration received on disposals	12,236,407	9,783,368
7. Deduct amortization of premium		153
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,028,748	8,137,458
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,028,748	8,137,458

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

NONE Schedule E Verification

NONE Schedule A - Part 2 and 3

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

NONE Schedule BA - Part 2 and 3

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
3137EA-CU-1 31398A-4M-1	FEDERAL HOME LN MTG CORP FR 1% Federal National Mtg Assn 1.625%		05/02/2012 06/18/2012	Key Trust Co Of Ohio, Na VARIOUS		506,969 744,682	500,000.00 720,000.00	1,292 1,723	1 1
3199999	U.S. Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	1,251,651	1,220,000.00	3,015	X X X
084670-BC-1 14912L-4S-7 19416Q-DX-5 36962G-5N-0 428236-AM-5 50075N-BB-9 713448-BW-7	BERKSHIRE HATHAWAY INC DEL SR 3.75 CATERPILLAR FINL SVCS MTNS BE NT-F COLGATE-PALMOLIVE CO MED TERM NT D GENERAL ELECT CAP CORP MED T 2.90% Hewlett-Packard Co Glb 5.4% KRAFT FOODS INC NT 4.125% 2016 PEPSICO INC SENIOR NT DTD 08/29/11		05/02/2012 05/02/2012 05/02/2012 05/02/2012 06/05/2012 05/09/2012 05/02/2012	Key Trust Co Of Ohio, Na Key Trust Co Of Ohio, Na Key Trust Co Of Ohio, Na Key Trust Co Of Ohio, Na Merrill Lynch BlackRock LC-C V/Merrill Key Trust Co Of Ohio, Na		532,150 528,910 505,380 518,900 346,893 356,749 514,910	500,000.00 500,000.00 500,000.00 500,000.00 310,000.00 325,000.00 500,000.00	4,271 1,325 2,022 4,753 4,511 3,538 3,000	1FE 1FE 1FE 1FE 1FE 1FE 1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	3,303,892	3,135,000.00	23,420	X X X
8399997	Total Bonds Part 3				X X X	4,555,543	4,355,000	26,435	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	4,555,543	4,355,000.00	26,435	X X X
88579Y-10-1 00817Y-10-8 037411-10-5 037833-10-0 072730-30-2 166764-10-0 171232-10-1 126132-10-9 20825C-10-4 23636T-10-0 23304Y-10-0 38259P-50-8 406216-10-1 404280-40-6 48667L-10-6 501897-10-2 58933Y-10-5 66987V-10-9 701094-10-4 705015-10-5	3M Co Aetna Inc New Apache Corp Apple Inc Bayer AG Chevron Corp Chubb Corp CNOOC LTD ADR ConocoPhillips Danone-Spons DBS Group Hldgs Google Inc Cl A Halliburton Co Com HSBC Hldg PLC Kddi Corp Li & fung ltd ADR Merck & Co Inc Novartis ADR PARKER HANNIFIN CORP COM PEARSON PLC SPONSORED ADR		06/27/2012 05/07/2012 04/25/2012 06/25/2012 05/03/2012 05/21/2012 05/29/2012 06/04/2012 06/12/2012 05/31/2012 06/26/2012 06/19/2012 06/18/2012 05/20/2012 04/05/2012 05/04/2012 06/27/2012 05/05/2012 05/21/2012 04/12/2012	VARIOUS BlackRock LC-C V/Merrill VARIOUS BlackRock LC-C V/Merrill MFS Int'l/Merrill Lynch VARIOUS BlackRock LC-C V/Merrill MFS Int'l/Merrill Lynch Delaware/Merrill Lynch MFS Int'l/Merrill Lynch MFS Int'l/Merrill Lynch BlackRock LC-C V/Merrill Delaware/Merrill Lynch MFS Int'l/Merrill Lynch MFS Int'l/Merrill Lynch MFS Int'l/Merrill Lynch VARIOUS MFS Int'l/Merrill Lynch BlackRock LC-C V/Merrill MFS Int'l/Merrill Lynch		309,000 313,000 399,000 64,000 29,000 321,000 227,000 32,000 331,000 243,000 144,000 65,000 1,664,000 57,000 178,000 1,325,000 853,000 139,000 193,000 243,000	26,584 13,487 37,192 36,632 2,060 33,055 16,391 5,669 18,084 3,121 6,032 37,735 49,101 2,299 2,913 5,834 34,108 7,663 15,936 4,394	L L	

EA4

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

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
718546-10-4	PHILLIPS 66 COM		05/01/2012	VARIOUS	381.000	14,170			L
69367U-10-5	PT BK MANDIRI PERSERO TBK ADR	F	04/15/2012	MFS Int'l/Merrill Lynch	621.000	4,689			L
756255-10-5	Reckitt Benckiser Gr	R	06/25/2012	MFS Int'l/Merrill Lynch	217.000	2,297			L
767204-10-0	Rio Tinto PLC	R	05/31/2012	MFS Int'l/Merrill Lynch	63.000	2,698			L
786514-20-8	Safeway Inc		06/12/2012	Delaware/Merrill Lynch	1,233.000	22,377			L
92857W-20-9	Vodafone Group PLC	F	04/04/2012	MFS Int'l/Merrill Lynch	85.000	2,391			L
9099999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	406,912	X X X		X X X
9799997	Total Common Stock Part 3				X X X	406,912	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stock				X X X	406,912	X X X		X X X
9899999	Total Preferred and Common Stock				X X X	406,912	X X X		X X X
9999999	Totals				X X X	4,962,455	X X X	26,435	X X X

E04.1

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
312945-ZD-3	FHLMC A9 740 4.0% 2041		06/15/2012	PRINCIPAL RECEIPT		58,949	58,948.69	62,153	62,201		(3,253)		(3,253)		58,949				876	02/01/2041	1FE
3128M7-4G-8	FHLMC G0 5923 05.50% 2040		06/15/2012	PRINCIPAL RECEIPT		67,571	67,570.91	73,572	73,614		(6,044)		(6,044)		67,571				1,567	01/01/2040	1FE
31368H-M4-2	FNMA P190379 05 50%2037		06/25/2012	PRINCIPAL RECEIPT		10,199	10,199.46	10,923	10,923		(724)		(724)		10,199				238	05/01/2037	1FE
31385W-SB-6	FNMA P555014 5.50% 2017		06/15/2012	PRINCIPAL RECEIPT		30,242	30,242.28	32,974	33,019		(2,776)		(2,776)		30,242				648	01/01/2017	1FE
31402C-PL-0	FNMA P725027 05%2033		06/25/2012	PRINCIPAL RECEIPT		63,310	63,310.43	68,223	68,205		(4,895)		(4,895)		63,310				1,322	11/01/2033	1FE
31403D-DX-4	FNMA P745418 05 50%2036		06/25/2012	PRINCIPAL RECEIPT		90,798	90,797.72	98,876	98,854		(8,057)		(8,057)		90,798				2,101	04/01/2036	1FE
31410F-VW-2	FNMA P888129 05 50%2037		06/25/2012	PRINCIPAL RECEIPT		9,084	9,083.65	9,728	9,727		(644)		(644)		9,084				212	02/01/2037	1FE
31410K-JY-1	FNMA P889579 06%2038		06/25/2012	PRINCIPAL RECEIPT		56,017	56,017.22	61,501	61,489		(5,472)		(5,472)		56,017				1,423	05/01/2038	1FE
31412P-RQ-6	FNMA P931195 04 50%2024		06/25/2012	PRINCIPAL RECEIPT		7,550	7,549.93	8,001	7,992		(442)		(442)		7,550				137	05/01/2024	1FE
31416B-TW-8	FNMA P995265 05 50%2024		06/25/2012	PRINCIPAL RECEIPT		5,086	5,086.34	5,523	5,511		(425)		(425)		5,086				116	01/01/2024	1FE
31417V-N6-6	FNMA PAC8512 4.50% 2039		06/15/2012	PRINCIPAL RECEIPT		6,282	6,282.36	6,659	6,662		(379)		(379)		6,282				107	11/25/2039	1FE
31418N-YK-0	FNMA PAD1613 04.50% 2025		06/15/2012	PRINCIPAL RECEIPT		69,750	69,749.50	74,719	74,756		(5,006)		(5,006)		69,750				1,205	05/01/2025	1FE
31418R-GS-4	FNMA PAD3808 04 50%2040		06/25/2012	PRINCIPAL RECEIPT		22,153	22,152.83	23,212	23,204		(1,051)		(1,051)		22,153				407	04/01/2040	1FE
3138A4-Y5-8	FNMA PAH3431 03.50% 2026		06/15/2012	PRINCIPAL RECEIPT		27,466	27,466.24	28,771	28,779		(1,313)		(1,313)		27,466				368	05/01/2026	1FE
3138AM-UJ-2	FNMA PAI7784 4.50% 2041		06/15/2012	PRINCIPAL RECEIPT		63,066	63,065.53	67,204	67,229		(4,163)		(4,163)		63,066				1,087	01/01/2041	1FE
3137EA-CC-1	Freddie Mac Nt 1.75%		06/15/2012	MATURITY		225,000	225,000.00	224,856	224,976		24		24		225,000				1,969	06/15/2012	1FE
912828-MU-1	US Treasury Note 1%		04/02/2012	MATURITY		550,000	550,000.00	552,355	550,320		(320)		(320)		550,000				2,750	03/31/2012	1FE
912828-KX-7	US Treasury Nt 1.875		06/15/2012	MATURITY		500,000	500,000.00	502,580	500,404		(404)		(404)		500,000				4,688	06/15/2012	1FE
0599999	Total - Bonds - U.S. Governments				X X X	1,862,523	1,862,523.09	1,911,830	1,907,865		(45,344)		(45,344)		1,862,523				21,221	X X X	X X X
31368H-MY-6	FNMA Pool #190375		06/25/2012	PRINCIPAL RECEIPT		59,314	59,313.58	64,893			(5,579)		(5,579)		59,314				555	11/01/2036	1
31403C-6L-0	FNMA Pool #745275		06/25/2012	PRINCIPAL RECEIPT		54,722	54,722.18	59,288			(4,566)		(4,566)		54,722				463	02/01/2036	1
31416B-QD-3	FNMA Pool #995152		06/25/2012	PRINCIPAL RECEIPT		42,897	42,896.99	46,919			(4,022)		(4,022)		42,897				386	01/01/2021	1
3138EG-FA-7	FNMA Pool #AL0160		06/25/2012	PRINCIPAL RECEIPT		35,222	35,221.57	37,610			(2,388)		(2,388)		35,222				254	05/01/2041	1
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl				X X X	192,155	192,154.32	208,710			(16,555)		(16,555)		192,155				1,658	X X X	X X X
36962G-2L-7	General Electric Cap Corp 5%		04/10/2012	MATURITY		500,000	500,000.00	497,230	499,812		188		188		500,000				12,500	04/10/2012	1FE
713448-BF-4	Pepsico Inc Senior Nt 5.15%		05/15/2012	MATURITY		500,000	500,000.00	504,335	500,382		(382)		(382)		500,000				12,875	05/15/2012	1FE
85748K-AA-1	State Street Corp 2.15%		04/30/2012	MATURITY		500,000	500,000.00	506,450	500,834		(834)		(834)		500,000				5,375	04/30/2012	1FE
931142-CF-8	Walmart Stores Inc 5%		04/05/2012	MATURITY		500,000	500,000.00	508,215	500,539		(539)		(539)		500,000				12,500	04/05/2012	1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	2,000,000	2,000,000.00	2,016,230	2,001,567		(1,567)		(1,567)		2,000,000				43,250	X X X	X X X
8399997	Total - Bonds - Part 4				X X X	4,054,678	4,054,677	4,136,770	3,909,432		(63,466)		(63,466)		4,054,678				66,129	X X X	X X X

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

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	4,054,678	4,054,677.41	4,136,770	3,909,432		(63,466)		(63,466)	4,054,678					66,129	X X X	X X X
00817Y-10-8	Aetna Inc New		06/11/2012	VARIOUS	58.00	2,489		2,690	2,447	243			243	2,690			(201)	(201)	20		L
021441-10-0	Altera Corp		05/01/2012	BlackRock LC-C V/Merr	387.00	13,753		13,240	14,358	(1,117)			(1,117)	13,240		513	513	31			L
038222-10-5	Applied Intl Group Inc		04/09/2012	VARIOUS	1,799.00	21,317		25,924	19,267	6,657			6,657	25,924		(4,608)	(4,608)	144			L
075896-10-0	Bed Bath & Beyond Inc.		06/25/2012	VARIOUS	385.00	24,523		23,859	22,318	1,541			1,541	23,859		664	664				1FE
05565A-20-2	BNP Paribas Sponsord	R	04/13/2012	MFS Int'l/Merrill Lynch	98.00	2,030		1,926	1,926					1,926		104	104				L
055622-10-4	BP PLC	R	06/25/2012	MFS Int'l/Merrill Lynch	62.00	2,330		2,933	2,650	283			283	2,933		(602)	(602)	161			L
189754-10-4	Coach Inc		06/25/2012	BlackRock LC-C V/Merr	418.00	25,523		24,246	25,515	(1,268)			(1,268)	24,246		1,277	1,277	188			L
20825C-10-4	ConocoPhillips		05/01/2012	COST ADJ		14,170		14,170	14,170					14,170							L
225401-10-8	Credit Suisse GP	R	05/20/2012	MFS Int'l/Merrill Lynch	191.00	3,774		8,129	4,485	3,644			3,644	8,129		(4,355)	(4,355)	150			L
237545-10-8	Dassault Sys Sa	R	05/03/2012	MFS Int'l/Merrill Lynch	31.00	2,999		2,359	2,493	(134)			(134)	2,359		640	640				L
25490A-10-1	Directv Group Hldngs CLA		06/19/2012	VARIOUS	747.00	34,053		31,745	31,942	(196)			(196)	31,745		2,308	2,308				L
26138E-10-9	Dr Pepper Snapple Group Inc		04/25/2012	BlackRock LC-C V/Merr	616.00	24,542		23,948	24,320	(372)			(372)	23,948		594	594	209			L
40415F-10-1	HDFC Bank Ltd	R	04/10/2012	MFS Int'l/Merrill Lynch	72.00	2,394		1,813	1,892	(79)			(79)	1,813		581	581				L
425883-10-5	Hennes and Mauritz AB	R	05/02/2012	MFS Int'l/Merrill Lynch	971.00	6,611		6,848	6,176	673			673	6,848		(238)	(238)				L
444859-10-2	Humana Inc		06/11/2012	BlackRock LC-C V/Merr	26.00	2,052		2,207	2,278	(71)			(71)	2,207		(155)	(155)	13			L
532716-10-7	Limited Brands Inc		06/27/2012	BlackRock LC-C V/Merr	857.00	36,664		32,936	34,580	(1,644)			(1,644)	32,936		3,728	3,728	388			L
544147-10-1	Lorillard Inc		05/21/2012	BlackRock LC-C V/Merr	147.00	18,450		15,944	16,758	(814)			(814)	15,944		2,506	2,506				L
718546-10-4	PHILLIPS 66 COM		05/30/2012	VARIOUS	381.00	11,536		14,170						14,170		(2,635)	(2,635)				L
778296-10-3	Ross Stores Inc Com		05/21/2012	BlackRock LC-C V/Merr	123.00	7,343		5,792	5,846	(54)			(54)	5,792		1,550	1,550	17			L
780641-20-5	Royal Kpn N V Sp Adr	R	04/06/2012	MFS Int'l/Merrill Lynch	452.00	4,906		5,694	5,388	307			307	5,694		(789)	(789)				L
80105N-10-5	Sanofi Aventis	R	05/01/2012	MFS Int'l/Merrill Lynch	190.00	7,181		7,272	6,943	329			329	7,272		(91)	(91)				L
83175M-20-5	Smith-Nphw Plc Spadr New	R	05/03/2012	MFS Int'l/Merrill Lynch	81.00	4,078		3,694	3,900	(206)			(206)	3,694		384	384	44			L
878546-20-9	Technip Sp Adr	R	05/31/2012	MFS Int'l/Merrill Lynch	186.00	4,203		4,214	4,390	(176)			(176)	4,214		(10)	(10)	60			L
878742-20-4	Teck Resources Ltd Cls B	R	05/31/2012	MFS Int'l/Merrill Lynch	152.00	4,471		5,147	5,349	(202)			(202)	5,147		(677)	(677)	51			L
92343V-10-4	Verizon Communications Com		06/25/2012	BlackRock LC-C V/Merr	458.00	19,948		17,150						17,150		2,798	2,798	229			L
94973V-10-7	Wellpoint Inc		06/26/2012	VARIOUS	220.00	15,266		14,423	14,575	(152)			(152)	14,423		844	844	127			L
98212B-10-3	WPX Energy Inc		05/01/2012	Delaware/Merrill Lynch	543.00	9,341		16,776						16,776		(7,435)	(7,435)				L
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	325,947		329,249	273,966	7,192			7,192	329,249		(3,305)	(3,305)	1,832	X X X	X X X	
9799997	Total - Common Stock - Part 4				X X X	325,947	X X X	329,249	273,966	7,192			7,192	329,249		(3,305)	(3,305)	1,832	X X X	X X X	

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

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stocks				X X X	325,947	X X X	329,249	273,966	7,192			7,192		329,249		(3,305)	(3,305)	1,832	X X X	X X X
9899999	Total Preferred and Common Stocks				X X X	325,947	X X X	329,249	273,966	7,192			7,192		329,249		(3,305)	(3,305)	1,832	X X X	X X X
9999999	Totals					4,380,625	X X X	4,466,019	4,183,398	7,192	(63,466)		(56,274)		4,383,927		(3,305)	(3,305)	67,961	X X X	X X X

E05.2

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

NONE 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 Schedule E - Part 2