



QUARTERLY STATEMENT

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

CARESOURCE

NAIC Group Code 3683 , 3683 NAIC Company Code 95201 Employer's ID Number 31-1143265
(Current Period) (Prior Period)

Organized under the Laws of Ohio , State of Domicile or Port of Entry Ohio

Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
 Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
 Other [] Is HMO, Federally Qualified? Yes [] No [X]

Incorporated/Organized 06/12/1985 Commenced Business 10/01/1988

Statutory Home Office 230 North Main Street , Dayton, OH 45402
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 230 North Main Street Dayton, OH 45402 937-531-3300
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 8738 , Dayton, OH 45401-8738
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 230 North Main Street Dayton, OH 45402 937-531-2159
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.caresource.com

Statutory Statement Contact L. Tarlton Thomas III 937-531-2159
(Name) (Area Code) (Telephone Number) (Extension)

Tarlton.Thomas@caresource.com 937-396-3438
(E-mail Address) (FAX Number)

OFFICERS

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

OTHER OFFICERS

_____, _____

_____, _____

DIRECTORS OR TRUSTEES

<u>Pamela B. Morris</u>	<u>Michael E. Ervin M.D.</u>	<u>Ellen S. Leffak</u>	
<u>William F. Marsteller D.C.</u>	<u>Morris L. Brown M.D.</u>	<u>David T. Miller</u>	<u>Craig Brown</u>

State of Ohio

County of Montgomery 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.

Pamela B. Morris
President & Chief Executive Officer

L. Tarlton Thomas, III
Chief Financial Officer

Craig Thiele, M.D.
Chief Medical Officer

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 _____

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	344,655,134		344,655,134	315,929,911
2. Stocks:				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	44,363,037		44,363,037	37,167,471
3. Mortgage loans on real estate:				
3.1 First liens	0		0	0
3.2 Other than first liens	0		0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	2,100,000		2,100,000	2,100,000
4.2 Properties held for the production of income (less \$ encumbrances)	0		0	0
4.3 Properties held for sale (less \$ encumbrances)	0		0	0
5. Cash (\$(28,121,671)), cash equivalents (\$269,496,207) and short-term investments (\$ 90,384,808)	331,759,344		331,759,344	378,008,244
6. Contract loans (including \$ premium notes)	0		0	0
7. Derivatives	0		0	0
8. Other invested assets	0		0	0
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets	0		0	0
11. Aggregate write-ins for invested assets	2,301,556	2,301,556	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	725,179,071	2,301,556	722,877,515	733,205,625
13. Title plants less \$ charged off (for Title insurers only)	0		0	0
14. Investment income due and accrued	4,405,078		4,405,078	3,606,842
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	93,641,928		93,641,928	68,200,102
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	0		0	0
15.3 Accrued retrospective premiums	0		0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,036,431		2,036,431	3,663,369
16.2 Funds held by or deposited with reinsured companies	0		0	0
16.3 Other amounts receivable under reinsurance contracts	0		0	0
17. Amounts receivable relating to uninsured plans	0		0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0		0	0
18.2 Net deferred tax asset	0		0	0
19. Guaranty funds receivable or on deposit	0		0	0
20. Electronic data processing equipment and software	0		0	0
21. Furniture and equipment, including health care delivery assets (\$)	0		0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0		0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0	0
24. Health care (\$58,681,646) and other amounts receivable	58,681,646	0	58,681,646	50,737,261
25. Aggregate write-ins for other than invested assets	77,981	77,981	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	884,022,135	2,379,537	881,642,598	859,413,199
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0		0	0
28. Total (Lines 26 and 27)	884,022,135	2,379,537	881,642,598	859,413,199
DETAILS OF WRITE-INS				
1101. Investment in CareSource Foundation	2,301,556	2,301,556	0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	2,301,556	2,301,556	0	0
2501. PREPAID EXPENSES	77,981	77,981	0	0
2502. LEASEHOLD IMPROVEMENTS			0	0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	77,981	77,981	0	0

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 7,714,151 reinsurance ceded).....	327,310,044		327,310,044	354,070,579
2. Accrued medical incentive pool and bonus amounts	1,297,447		1,297,447	1,481,928
3. Unpaid claims adjustment expenses	6,788,877		6,788,877	6,736,572
4. Aggregate health policy reserves including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	0		0	0
5. Aggregate life policy reserves	0		0	0
6. Property/casualty unearned premium reserve	0		0	0
7. Aggregate health claim reserves	0		0	0
8. Premiums received in advance	8,766,592		8,766,592	4,382,992
9. General expenses due or accrued	49,440,188		49,440,188	70,268,868
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))	0		0	0
10.2 Net deferred tax liability.....	0		0	0
11. Ceded reinsurance premiums payable	0		0	0
12. Amounts withheld or retained for the account of others	0		0	40,989,900
13. Remittances and items not allocated	0		0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	0		0	0
15. Amounts due to parent, subsidiaries and affiliates	5,091,624		5,091,624	7,516,286
16. Derivatives.....	0		0	0
17. Payable for securities	0		0	0
18. Payable for securities lending	0		0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers).....	0		0	0
20. Reinsurance in unauthorized companies	0		0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0		0	0
22. Liability for amounts held under uninsured plans	0		0	241,149
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	398,694,772	0	398,694,772	485,688,274
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	17,200,000	17,200,000
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	2,100,000	2,100,000
31. Unassigned funds (surplus)	XXX	XXX	463,647,826	395,414,825
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX	0	0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	482,947,826	414,714,825
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	881,642,598	900,403,099
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001. Contributed Surplus (Land).....	XXX	XXX	2,100,000	2,100,000
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	2,100,000	2,100,000

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	5,331,744	5,088,796	10,266,935
2. Net premium income (including \$ non-health premium income).....	XXX	1,829,520,424	1,364,214,126	2,965,644,060
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0	0
4. Fee-for-service (net of \$ medical expenses)	XXX	0	0	0
5. Risk revenue	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	1,829,520,424	1,364,214,126	2,965,644,060
Hospital and Medical:				
9. Hospital/medical benefits		1,123,750,597	1,022,861,623	2,048,082,835
10. Other professional services		18,085,625	14,556,394	32,536,094
11. Outside referrals		0	0	0
12. Emergency room and out-of-area		94,554,371	86,164,107	181,501,985
13. Prescription drugs		314,269,992	2,062,477	168,674,459
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		1,293,993	1,111,821	2,671,308
16. Subtotal (Lines 9 to 15)	0	1,551,954,578	1,126,756,422	2,433,466,681
Less:				
17. Net reinsurance recoveries		5,906,590	6,442,009	8,997,939
18. Total hospital and medical (Lines 16 minus 17)	0	1,546,047,988	1,120,314,413	2,424,468,742
19. Non-health claims (net).....		0	0	0
20. Claims adjustment expenses, including \$ 19,081,293 cost containment expenses.....		28,819,369	22,793,924	54,723,564
21. General administrative expenses.....		193,788,342	152,593,510	367,974,345
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	1,768,655,699	1,295,701,847	2,847,166,651
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	60,864,725	68,512,279	118,477,409
25. Net investment income earned		6,423,280	6,152,356	13,086,076
26. Net realized capital gains (losses) less capital gains tax of \$		640,731	(441,761)	(355,393)
27. Net investment gains (losses) (Lines 25 plus 26)	0	7,064,011	5,710,595	12,730,683
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]	0	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	67,928,736	74,222,874	131,208,092
31. Federal and foreign income taxes incurred	XXX		0	0
32. Net income (loss) (Lines 30 minus 31)	XXX	67,928,736	74,222,874	131,208,092
DETAILS OF WRITE-INS				
0601.	XXX		0	0
0602.	XXX		0	0
0603.	XXX		0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701.	XXX		0	0
0702.	XXX		0	0
0703.	XXX		0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.			0	0
1402.			0	0
1403.			0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. OTHER REVENUE.....			0	0
2902.			0	0
2903.			0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	414,714,825	293,290,427	293,290,427
34. Net income or (loss) from Line 32	67,928,736	74,222,874	131,208,092
35. Change in valuation basis of aggregate policy and claim reserves	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	2,303,034	2,019,564	(2,117,163)
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	0	0	0
39. Change in nonadmitted assets	(1,576,342)	678,971	(99,848)
40. Change in unauthorized reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles	0	0	0
44. Capital Changes:			
44.1 Paid in	0	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0	0
44.3 Transferred to surplus	0	0	0
45. Surplus adjustments:			
45.1 Paid in	0	0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital	(422,427)	(716,823)	(1,478,203)
46. Dividends to stockholders	0	0	(6,000,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	(88,480)
48. Net change in capital and surplus (Lines 34 to 47)	68,233,001	76,204,586	121,424,398
49. Capital and surplus end of reporting period (Line 33 plus 48)	482,947,826	369,495,013	414,714,825
DETAILS OF WRITE-INS			
4701. CONTRIBUTED SURPLUS [LAND].....	0	0	0
4702. Non credit related impairment of residential mortgage-based securities.....	0	0	(88,480)
4703.	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	(88,480)

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	1,808,221,049	1,360,220,712	2,928,903,236
2. Net investment income	6,701,002	6,316,574	14,050,011
3. Miscellaneous income	0	0	0
4. Total (Lines 1 to 3)	1,814,922,051	1,366,537,287	2,942,953,247
5. Benefit and loss related payments	1,579,249,013	1,060,924,790	2,344,389,015
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	243,384,085	187,380,263	409,264,705
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9)	1,822,633,098	1,248,305,053	2,753,653,720
11. Net cash from operations (Line 4 minus Line 10)	(7,711,047)	118,232,234	189,299,527
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	77,814,682	10,373,420	41,610,079
12.2 Stocks	5,946,325	13,036,315	13,036,315
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	14,560	0	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	83,775,567	23,409,735	54,646,394
13. Cost of investments acquired (long-term only):			
13.1 Bonds	107,297,464	37,292,964	91,965,911
13.2 Stocks	10,531,086	19,142,718	25,144,303
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	117,828,550	56,435,682	117,110,214
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(34,052,982)	(33,025,947)	(62,463,820)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	(2,045,020)	(2,068,752)	(2,108,761)
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	6,000,000
16.6 Other cash provided (applied).....	(2,439,850)	(5,677,944)	38,515,099
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(4,484,870)	(7,746,696)	30,406,338
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(46,248,899)	77,459,591	157,242,045
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	378,008,244	220,766,198	220,766,198
19.2 End of period (Line 18 plus Line 19.1)	331,759,344	298,225,789	378,008,244

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

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	875,545	.0	.0	.0	.0	.0	.0	1,234	872,452	1,859
2. First Quarter	885,261	.0	.0	.0	.0	.0	.0	1,328	881,718	2,215
3. Second Quarter	912,662	.0	.0	.0	.0	.0	.0	1,488	908,541	2,633
4. Third Quarter .....	.0									
5. Current Year	0									
6. Current Year Member Months	5,331,744							8,184	5,309,868	13,692
Total Member Ambulatory Encounters for Period:										
7. Physician	2,530,658							10,236	2,520,422	.0
8. Non-Physician	1,563,923							7,457	1,556,466	0
9. Total	4,094,581	0	0	0	0	0	0	17,693	4,076,888	0
10. Hospital Patient Days Incurred	234,876							1,865	233,011	0
11. Number of Inpatient Admissions	66,926							338	66,588	0
12. Health Premiums Written (a).....	1,837,924,302							9,871,544	1,827,233,248	819,510
13. Life Premiums Direct.....	.0							.0	.0	.0
14. Property/Casualty Premiums Written .....	.0							.0	.0	.0
15. Health Premiums Earned	1,837,924,302							9,871,544	1,827,233,248	819,510
16. Property/Casualty Premiums Earned .....	.0							.0	.0	.0
17. Amount Paid for Provision of Health Care Services	1,572,993,002							9,082,291	1,563,436,135	474,576
18. Amount Incurred for Provision of Health Care Services	1,551,954,578							9,323,408	1,541,811,837	819,333

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 9,871,544

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

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

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec. 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....					.0	.0
2. Medicare Supplement .....					.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan .....					.0	.0
6. Title XVIII - Medicare	1,515,481	7,566,809	150,197	2,643,388	1,665,678	2,208,116
7. Title XIX - Medicaid	330,234,522	1,242,405,203	8,617,168	315,197,017	338,851,690	351,507,020
8. Other health	33,954	440,622	348,525	353,749	382,479	355,443
9. Health subtotal (Lines 1 to 8).....	331,783,957	1,250,412,634	9,115,890	318,194,154	340,899,847	354,070,579
10. Health care receivables (a)	1,808,101	9,195,174	.0	.0	1,808,101	.0
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts	1,476,775	322,911	56,621	1,240,826	1,533,396	1,481,928
13. Totals (Lines 9-10+11+12)	331,452,631	1,241,540,371	9,172,511	319,434,980	340,625,142	355,552,507

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

NOTES TO FINANCIAL STATEMENTS

1A. Summary of Significant Accounting Policies

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

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

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

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

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

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

1B. Use of Estimates – No change

1C. Other significant accounting practices – No change

Reinsurance

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

	June 30, 2012	June 30, 2011
	Written & Earned Premiums	Written & Earned Premiums
Direct premiums	\$1,837,924,302	\$1,370,794,707
Ceded premiums		
Non-affiliates	(7,713,851)	(5,258,953)
Affiliates	(690,027)	(1,321,628)
Net premiums	\$1,829,520,424	\$1,364,214,126

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

Significant Provider

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

As of June 30, 2012, PFK was paid \$137,569,963 for services rendered, prior to chargebacks of \$95,733,271. Chargebacks resulted from CS directly paying certain non-PFK providers under the contract. The CS membership capitated by the provider constituted approximately 19% of total CS membership in 2012.

At June 30, 2012, CS recorded a capitation chargeback receivable from PFK for \$16,183,422.

2. Accounting Changes and Correction of Errors

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

NOTES TO FINANCIAL STATEMENTS

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

3. Business Combinations and Goodwill – None.

4. Discontinued Operations – None

5. Investments

a. Mortgage Loans – None.

b. Debt Restructuring – None.

c. Reverse Mortgage – None.

d. Loan-Backed Securities: As of June 30, 2012, CareSource does not hold any loan backed securities. Previously other than temporarily impaired bonds with a carrying value of \$7,063,073 were sold during Q1 for \$7,292,178.

e. Repurchase Agreements – None.

f. Real estate – None.

g. Low income housing – None.

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

7. Investment Income – No change.

8. Derivative Instruments – None.

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

10. Information Concerning Parent, Subsidiaries and Affiliates

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

In April 2012, CSMG announced plans to sell CareSource Michigan, an insurance affiliate, to McLaren Health Plan. The transaction settled on Aug. 1, 2012 and did not have any material impact on CareSource.

11. Debt – None.

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

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

14. Contingencies – No change.

15. Leases – No change.

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

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

a. Transfers of receivables reported as sales - None

b. Transfer and servicing of financial assets - None

c. Wash sales - None

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

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

20. Fair Value Measurements –

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

Debt and Equity Securities

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

Cash, Cash Equivalents, and Short-Term Investments

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

Assets measured at fair value at June 30, 2012 are outlined below:

	Assets			
	Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
2012				
Common stock:				
Small cap	\$ 6,226,437	\$ 6,226,437	\$ -	\$ -
Mid cap	10,196,211	10,196,211	-	-
Large cap	18,905,006	18,905,006	-	-
International	9,035,383	9,035,383	-	-
Total common stock	<u>\$ 44,363,037</u>	<u>\$ 44,363,037</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

The Company did not have any significant assets or liabilities measured at fair value on a nonrecurring basis as of June 30, 2012 or December 31, 2011.

Changes in the balances of Level 3 assets during the year ended June 30, 2012 are presented below:

**Collateralized
Mortgage
Obligations**

NOTES TO FINANCIAL STATEMENTS

Balance at January 1, 2012	\$ 851,020
Unrealized gains included in surplus	-
Net purchases and sales	(858,750)
Realized gains included in net income	7,730
Transfers in (out) of Level 3	-
Balance at June 30, 2012	\$ -

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

	June 30, 2012		December 31, 2011	
	Book/ Adjusted Carrying Amount	Fair Value	Book/ Adjusted Carrying Amount	Fair Value
Assets:				
Bonds	\$344,655,134	\$359,305,852	\$315,929,911	\$330,989,949
Common stocks	44,363,037	44,363,037	37,167,471	37,167,471
Cash, cash equivalents and short-term investments	331,759,344	325,144,652	378,008,244	377,932,599

21. Other Items – No change.

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

A. Type I – Recognized Subsequent Events – None

Type II – None.

23. Reinsurance – No change.

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

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

Reserves as of December 31, 2011 were \$355.6 million. As of June 30, 2012, \$331.5 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are \$9.2 million. Therefore, there has been a \$14.9 million favorable prior-year development since December 31, 2011 to June 30, 2012. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$17.0 million of favorable prior year claim development, combined with \$2.1 million of unfavorable experience in recoveries.

26. Intercompany Pooling Arrangements – None

27. Structured Settlements - Not applicable

28. Health Care Receivables – No change.

29. Participating Policies - Not applicable

30. Premium Deficiency Reserves - Not deemed necessary.

31. Anticipated Salvage and Subrogation – No change.

GENERAL INTERROGATORIES

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/04/2011
- 6.4 By what department or departments?
Ohio Department of Insurance.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] NA []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

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

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

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

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

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

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).....	\$0	\$0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

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

- 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.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes No

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

1 Name of Custodian(s)	2 Custodian Address
Citizens Bank aka Charter One.....	870 Westminster Street, RWR110, Providence, Rhode Island 02903.....
Fifth Third Bank.....	38 Fountain Square, Cincinnati, OH 45263.....
Huntington Bank.....	41 S. High Street, Columbus, OH 43287.....
Huntington Bank.....	3805 Edwards Road, Suite 350, Cincinnati, OH 45209.....

16.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

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

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

Yes No

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

Yes No

17.2 If no, list exceptions:

.....

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	N							0	
2. Alaska	AK	N							0	
3. Arizona	AZ	N							0	
4. Arkansas	AR	N							0	
5. California	CA	N							0	
6. Colorado	CO	N							0	
7. Connecticut	CT	N							0	
8. Delaware	DE	N							0	
9. Dist. Columbia	DC	N							0	
10. Florida	FL	N							0	
11. Georgia	GA	N							0	
12. Hawaii	HI	N							0	
13. Idaho	ID	N							0	
14. Illinois	IL	N							0	
15. Indiana	IN	N							0	
16. Iowa	IA	N							0	
17. Kansas	KS	N							0	
18. Kentucky	KY	N							0	
19. Louisiana	LA	N							0	
20. Maine	ME	N							0	
21. Maryland	MD	N							0	
22. Massachusetts	MA	N							0	
23. Michigan	MI	N							0	
24. Minnesota	MN	N							0	
25. Mississippi	MS	N							0	
26. Missouri	MO	N							0	
27. Montana	MT	N							0	
28. Nebraska	NE	N							0	
29. Nevada	NV	N							0	
30. New Hampshire	NH	N							0	
31. New Jersey	NJ	N							0	
32. New Mexico	NM	N							0	
33. New York	NY	N							0	
34. North Carolina	NC	N							0	
35. North Dakota	ND	N							0	
36. Ohio	OH	L	819,510	9,871,544	1,827,233,248				1,837,924,302	
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		819,510	9,871,544	1,827,233,248	0	0	0	1,837,924,302	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	
61. Total (Direct Business)	(a) 1		819,510	9,871,544	1,827,233,248	0	0	0	1,837,924,302	0
DETAILS OF WRITE-INS										
5801.	XXX								0	
5802.	XXX								0	
5803.	XXX								0	
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX		0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0	0	0

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

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

CareSource Family of Companies
Corporate Structure

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

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

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

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

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

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

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

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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

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

.....NO.....

Explanation:

1. Coverage provided through the Medicare Advantage Program.

Bar Code:

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

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

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	2,100,000	2,100,000
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	2,100,000	2,100,000
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	2,100,000	2,100,000

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

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

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	353,097,382	294,961,034
2. Cost of bonds and stocks acquired	117,828,550	117,110,214
3. Accrual of discount	190,250	263,912
4. Unrealized valuation increase (decrease)	2,303,034	(2,117,163)
5. Total gain (loss) on disposals	626,171	(322,311)
6. Deduct consideration for bonds and stocks disposed of	83,761,008	54,646,394
7. Deduct amortization of premium	1,266,208	2,118,828
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	33,082
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	389,018,171	353,097,382
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	389,018,171	353,097,382

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	300,735,442	55,266,608	40,302,221	(623,602)	300,735,442	315,076,228	.0	277,678,966
2. Class 2 (a).....	93,034,261	39,810,246	12,345,000	(535,792)	93,034,261	119,963,714	.0	82,132,744
3. Class 3 (a).....	.0				.0	.0	.0	.0
4. Class 4 (a).....	.0				.0	.0	.0	.0
5. Class 5 (a).....	.0				.0	.0	.0	.0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	393,769,703	95,076,854	52,647,221	(1,159,394)	393,769,703	435,039,942	0	359,811,710
PREFERRED STOCK								
8. Class 1.....	.0				.0	.0	.0	.0
9. Class 2.....	.0				.0	.0	.0	.0
10. Class 3.....	.0				.0	.0	.0	.0
11. Class 4.....	.0				.0	.0	.0	.0
12. Class 5.....	.0				.0	.0	.0	.0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	393,769,703	95,076,854	52,647,221	(1,159,394)	393,769,703	435,039,942	0	359,811,710

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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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	90,384,808	XXX	91,349,522	1,349,153	628,629

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.....	43,881,799	4,840,586
2. Cost of short-term investments acquired	67,142,586	71,325,429
3. Accrual of discount	71,091	82,657
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals	14,560	(9,598)
6. Deduct consideration received on disposals	19,582,573	31,775,000
7. Deduct amortization of premium.....	1,142,654	582,275
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	90,384,808	43,881,799
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	90,384,808	43,881,799

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	394,363,324	239,355,455
2. Cost of cash equivalents acquired	269,496,207	394,363,324
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals	394,363,324	239,355,455
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	269,496,207	394,363,324
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	269,496,207	394,363,324

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Special Revenue									
035147-AA-5	ANGOLA EDL FACS-VAR		06/26/2012	FIFTH THIRD BANK		600,000	600,000	120	2FE
123550-FM-2	BUTLER HOSP VAR-0-CIN		06/26/2012	FIFTH THIRD BANK		1,000,000	1,000,000	200	1FE
313378-PD-7	FEDERAL HOME LOAN BANK		04/13/2012	HUNTINGTON BANK		1,697,450	1,700,000		1
313379-N7-0	FEDERAL HOME LOAN BANK		06/08/2012	HUNTINGTON BANK		4,500,000	4,500,000		1
313660-AS-0	FANNIE MAE		04/19/2012	VARIOUS		11,515,000	11,515,000		1
313660-DY-4	FANNIE MAE		04/26/2012	HUNTINGTON BANK		3,000,000	3,000,000		1
313660-MC-2	FANNIE MAE		05/22/2012	FIFTH THIRD BANK		4,992,500	5,000,000		1
313660-PD-7	FANNIE MAE		06/14/2012	FIFTH THIRD BANK		5,000,000	5,000,000		1
313660-PP-0	FANNIE MAE		06/18/2012	FIFTH THIRD BANK		5,000,000	5,000,000		1
452001-4V-9	IL EDL VAR-CHAPIN HAL		06/26/2012	FIFTH THIRD BANK		575,000	575,000	115	2FE
59469C-7T-4	MI STRAT FD VAR-M&P-A		06/26/2012	FIFTH THIRD BANK		465,000	465,000	123	1
59469C-8F-3	MI STRAT FD VAR-BK		06/26/2012	FIFTH THIRD BANK		1,570,000	1,570,000	414	1
790905-GT-4	ST LOUIS IDA ADJ-A-IN		06/26/2012	FIFTH THIRD BANK		655,000	655,000	95	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions						40,569,950	40,580,000	1,067	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
0258M0-CW-7	AMER EXPRESS CREDIT CO		04/11/2012	FIFTH THIRD BANK		5,268,498	5,000,000	129,740	1FE
03938L-AC-8	ARCELORMITTAL	F	05/04/2012	HUNTINGTON BANK		4,160,000	4,000,000	91,375	2FE
054303-AQ-5	AVON PRODUCTS INC		04/18/2012	HUNTINGTON BANK		5,165,900	5,000,000	98,281	2FE
06849T-AA-6	BARRICK GOLD FINANCECO L		06/05/2012	HUNTINGTON BANK		1,168,475	1,095,000	15,463	2FE
127210-AB-8	CADBURY SCHWEPES US FIN		04/25/2012	HUNTINGTON BANK		2,121,820	2,000,000	6,833	2FE
172967-EU-1	CITIGROUP INC		04/20/2012	FIFTH THIRD BANK		263,500	250,000	2,753	1FE
233835-AW-7	DAIMLER FINANCE NA LLC		06/13/2012	HUNTINGTON BANK		2,156,360	2,000,000	11,917	1FE
37247D-AE-6	GENWORTH FINANCIAL INC		04/20/2012	FIFTH THIRD BANK		516,000	500,000	9,983	2FE
41283D-AB-9	HARLEY-DAVIDSON FUNDING		04/20/2012	FIFTH THIRD BANK		1,169,000	1,000,000	23,611	2FE
416515-AV-6	HARTFORD FINL SVCS GRP		04/20/2012	FIFTH THIRD BANK		532,875	500,000	7,917	2FE
744320-AG-0	PRUDENTIAL FINANCIAL INC		04/20/2012	FIFTH THIRD BANK		537,250	500,000	8,378	2FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						23,059,678	21,845,000	406,251	XXX
8399997 - Subtotals- Bonds - Part 3						63,629,628	62,425,000	407,318	XXX
8399999 - Subtotals - Bonds						63,629,628	62,425,000	407,318	XXX
Common Stocks - Mutual Funds									
015566-30-0	ALGER SPECTRA FUND-I		06/06/2012	HUNTINGTON BANK	9,031.450	120,227			L
025076-10-0	AMER CENT EQUITY INCOME-INV		06/28/2012	VARIOUS	21,179.090	160,000			L
29875E-10-0	AMERICAN EUROPACIFIC GRTH-F2		06/28/2012	VARIOUS	3,610.410	135,000			L
316071-10-9	FIDELITY CONTRAFUND		06/28/2012	HUNTINGTON BANK	2,972.910	220,023			L
316389-77-4	FIDELITY ADV S/C VALUE-I		06/28/2012	VARIOUS	3,956.550	60,000			L
38141W-39-8	GOLDMAN SACHS M/C VALUE-INST		04/04/2012	FIFTH THIRD BANK	656.170	25,000			L
446327-46-2	HUNTINGTON SITUS FUND-TRUST		06/28/2012	HUNTINGTON BANK	8,143.920	168,750			L
446327-61-1	HUNTINGTON INTL EQUITY-TRUST		06/28/2012	HUNTINGTON BANK	21,067.010	217,927			L
464287-46-5	ISHARES MSCI EAFE INDEX FUND		06/28/2012	VARIOUS	1,947.000	100,345			L
464287-49-9	ISHARES RUSSELL MIDCAP INDEX		06/28/2012	VARIOUS	1,174.000	125,318			L
464287-62-2	ISHARES RUSSELL 1000 INDEX		06/06/2012	VARIOUS	1,200.000	90,250			L
464287-65-5	ISHARES RUSSELL 2000		06/06/2012	VARIOUS	427.000	33,893			L
466000-54-4	IVY MID CAP GROWTH FUND-CL Y		06/06/2012	HUNTINGTON BANK	2,701.730	46,875			L
47103C-24-1	PERKINS MID CAP VAL-I		06/06/2012	HUNTINGTON BANK	3,563.620	75,076			L
47803W-40-6	JOHN HANCOCK IIII-DISC M/C-IS		06/28/2012	HUNTINGTON BANK	11,860.420	140,625			L
552983-69-4	MFS VALUE FUND-I		04/04/2012	FIFTH THIRD BANK	2,376.240	60,000			L
617440-50-8	MORGAN STANLEY INS M/C GR-I		04/04/2012	FIFTH THIRD BANK	645.160	25,000			L
741479-10-9	T ROWE PRICE GROWTH STK		06/28/2012	HUNTINGTON BANK	6,158.740	220,000			L
76628R-67-2	RIDGEWORTH L/C VAL EQTY-I		06/06/2012	HUNTINGTON BANK	9,176.440	120,296			L
779556-10-9	T ROWE PRICE MID CAP GR		04/04/2012	FIFTH THIRD BANK	414.870	25,000			L
779562-10-7	T ROWE PRICE NEW HORIZONS		06/28/2012	FIFTH THIRD BANK	1,734.110	60,000			L
780905-78-2	ROYCE SPECIAL EQUITY FUND-IV		06/28/2012	HUNTINGTON BANK	10,427.080	217,500			L
885215-56-6	THORNBURG INTL VALUE FD-I		06/06/2012	HUNTINGTON BANK	4,737.460	120,249			L
92206C-66-4	VANGUARD RUSSELL 2000		06/28/2012	HUNTINGTON BANK	650.000	41,260			L
92206C-73-0	VANGUARD RUSSELL 1000		06/28/2012	HUNTINGTON BANK	1,769.000	110,314			L
9299999 - Common Stocks - Mutual Funds						2,718,927	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						2,718,927	XXX	0	XXX
9799999 - Subtotals - Common Stocks						2,718,927	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						2,718,927	XXX	0	XXX

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STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator ^(a)
9999999 Totals						66,348,555	XXX	407,318	XXX

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

STATEMENT AS OF JUNE 30, 2012 OF THE CARESOURCE

SCHEDULE D - PART 4

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

1	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	Foreign	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)
Bonds - U.S. Governments																					
36202F-C6-1	RMBS - G2 4593		06/01/2012	Direct		115,285	115,285	119,554	119,441		(4,156)		(4,156)		119,416			0	2,467	12/20/2039	1
0599999 - Bonds - U.S. Governments																					
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128KU-65-0	RMBS - FG A63820		06/01/2012	Direct		29,715	29,715	29,743	29,740		(25)		(25)		29,715			0	709	08/01/2037	1
31331X-YE-6	FEDERAL FARM CREDIT BANK		05/09/2012	Redemption		2,500,000	2,500,000	2,561,675	2,506,069		(6,069)		(6,069)		2,500,000			0	71,250	05/09/2022	1
31335H-UN-1	RMBS - FG C90589		06/01/2012	Direct		33,906	33,906	34,414	34,334		(428)		(428)		33,906			0	809	11/01/2022	1
313378-4W-6	FEDERAL HOME LOAN BANK		06/05/2012	Not Available		5,000,000	5,000,000	5,000,000	5,000,000		0		0		5,000,000			0	37,500	03/05/2027	1
313378-A6-6	FEDERAL HOME LOAN BANK		06/05/2012	Redemption		5,000,000	5,000,000	5,000,000	5,000,000		0		0		5,000,000			0	37,500	03/05/2027	1
3133F4-B5-9	FREDDIE MAC		04/15/2012	Redemption		3,000,000	3,000,000	2,980,500	2,984,106		974		974		2,985,080		14,920	14,920	45,000	10/15/2025	1
3133XK-JW-6	FEDERAL HOME LOAN BANK		04/20/2012	Redemption		1,000,000	1,000,000	1,125,000	1,000,116		(116)		(116)		1,000,000			0	28,250	04/20/2022	1
3133XX-T5-6	FEDERAL HOME LOAN BANK		04/13/2012	Redemption		1,000,000	1,000,000	1,000,000	1,000,000		0		0		1,000,000			0	10,000	04/13/2017	1
313462-4L-3	FREDDIE MAC		05/25/2012	Redemption		5,000,000	5,000,000	4,975,000	4,975,801		3,332		3,332		4,979,133		20,867	20,867	75,000	11/25/2026	1
313463-AU-4	FREDDIE MAC		06/15/2012	Not Available		5,000,000	5,000,000	4,987,500	4,987,529		420		420		4,987,949		12,051	12,051	81,250	12/15/2026	1
31359M-7M-9	FANNIE MAE		04/11/2012	Redemption		4,500,000	4,500,000	4,568,025	4,499,142		(13,205)		(13,205)		4,485,937		14,063	14,063	120,938	04/11/2022	1
3136FT-JX-8	FANNIE MAE		04/27/2012	Redemption		2,000,000	2,000,000	2,000,000	2,000,000		0		0		2,000,000			0	32,500	10/27/2026	1
3136FT-SR-1	FANNIE MAE		06/21/2012	Redemption		3,000,000	3,000,000	3,000,000	3,000,000		0		0		3,000,000			0	15,000	12/21/2015	1
31371K-KE-0	RMBS - FN 254193		06/01/2012	Direct		23,554	23,554	23,907	23,842		(289)		(289)		23,554			0	567	02/01/2022	1
31371N-H2-4	RMBS - FN 256849		06/01/2012	Direct		20,368	20,368	20,457	20,452		(84)		(84)		20,368			0	520	08/01/2037	1
31398A-DU-3	FANNIE MAE		06/15/2012	Redemption		1,000,000	1,000,000	1,091,711	1,013,753		(13,753)		(13,753)		1,000,000			0	31,590	06/15/2027	1
31411N-WW-3	RMBS - FN 912461		06/01/2012	Direct		24,943	24,943	24,920	24,920		23		23		24,943			0	649	03/01/2037	1
31413T-LF-7	RMBS - FN 954926		06/01/2012	Direct		3,699	3,699	3,808	3,800		(101)		(101)		3,699			0	99	07/01/2037	1
31413T-NB-4	RMBS - FN 954986		06/01/2012	Direct		741	741	763	761		(20)		(20)		741			0	20	07/01/2037	1
31413T-ND-0	RMBS - FN 954988		06/01/2012	Direct		776	776	799	797		(21)		(21)		776			0	21	07/01/2037	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
						38,137,701	38,137,701	38,428,223	38,105,161	0	(29,360)	0	(29,360)	0	38,075,801	0	61,900	61,900	589,172	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
00206R-AF-9	AT&T INC		06/29/2012	Redemption		2,049,234	2,000,000	2,041,635	2,009,838		(9,805)		(9,805)		2,000,033		49,201	49,201	94,594	01/15/2013	1FE
17252W-AF-7	CINTAS CORPORATION NO. 2		06/01/2012	Maturity		1,345,000	1,345,000	1,380,306	1,346,754		(1,754)		(1,754)		1,345,000			0	40,350	06/01/2012	2FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)																					
						3,394,234	3,345,000	3,421,941	3,356,592	0	(11,559)	0	(11,559)	0	3,345,033	0	49,201	49,201	134,944	XXX	XXX
8399997 - Subtotals - Bonds - Part 4																					
						41,647,221	41,597,986	41,969,719	41,581,194	0	(45,075)	0	(45,075)	0	41,540,250	0	111,101	111,101	726,583	XXX	XXX
8399999 - Subtotals - Bonds																					
						41,647,221	41,597,986	41,969,719	41,581,194	0	(45,075)	0	(45,075)	0	41,540,250	0	111,101	111,101	726,583	XXX	XXX
9999999 Totals																					
						41,647,221	XXX	41,969,719	41,581,194	0	(45,075)	0	(45,075)	0	41,540,250	0	111,101	111,101	726,583	XXX	XXX

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

EO5

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

