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HEALTH QUARTERLY STATEMENT

As of September 30, 2012

of the Condition and Affairs of the

Molina Healthcare of Ohio, Inc.

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

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

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

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

Statutory Home Office	8101 North High Street, Suite 180….. Columbus ..... OH ..... 43235 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	8101 North High Street, Suite 180….. Columbus ..... OH ..... 43235 *(Street and Number) (City or Town, State and Zip Code)*	614-781-4300 *(Area Code) (Telephone Number)*
Mail Address	8101 North High Street, Suite 180….. Columbus ..... OH ..... 43235 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	8101 North High Street, Suite 180….. Columbus ..... OH ..... 43235 *(Street and Number) (City or Town, State and Zip Code)*	614-781-4300 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.molinahealthcare.com	
Statutory Statement Contact	Benjamin Sargent Orris *(Name)*	614-781-4300 *(Area Code) (Telephone Number) (Extension)*
	benjamin.orris@molinahealthcare.com *(E-Mail Address)*	614-781-1410 *(Fax Number)*

OFFICERS

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

OTHER

DIRECTORS OR TRUSTEES

Amy Schultz Clubbs Teri Daly Lauenstein James Dwight Forshee MD

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

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

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

Subscribed and sworn to before me

This _____ day of __________

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

b. If no: 1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	46,292,909		46,292,909	64,626,405
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....(11,560,946)), cash equivalents ($.....52,795,984) and short-term investments ($.....74,760,800)	115,995,838		115,995,838	120,615,257
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	162,288,747	0	162,288,747	185,241,662
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	307,756		307,756	730,091
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	22,757,215		22,757,215	11,390,152
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums	2,350		2,350	2,350
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	679,503		679,503	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	70,650		70,650	70,650
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	2,709,559	147,712	2,561,847	1,203,705
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	3,638		3,638	6,615
21. Furniture and equipment, including health care delivery assets ($..........0)	702,555	702,555	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	
24. Health care ($.....12,547,444) and other amounts receivable	15,475,564	2,928,120	12,547,444	15,966,675
25. Aggregate write-ins for other than invested assets	250,151	250,151	0	7,424
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	205,247,688	4,028,538	201,219,150	214,619,324
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	205,247,688	4,028,538	201,219,150	214,619,324

DETAILS OF WRITE-INS

	1	2	3	4
1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepayments and Other Receivables	250,151	250,151	0	7,424
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	250,151	250,151	0	7,424

LIABILITIES, CAPITAL AND SURPLUS

		Current Period 1 Covered	Current Period 2 Uncovered	Current Period 3 Total	Prior Year 4 Total
1.	Claims unpaid (less $..........0 reinsurance ceded)	83,332,217	3,090,196	86,422,413	73,485,008
2.	Accrued medical incentive pool and bonus amounts			0	
3.	Unpaid claims adjustment expenses	1,032,736	54,354	1,087,090	981,265
4.	Aggregate health policy reserves, including the liability of $..........0 for medical loss ratio rebate per the Public Health Service Act			0	
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserve			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance			0	
9.	General expenses due or accrued	19,418,241		19,418,241	20,362,696
10.1	Current federal and foreign income tax payable and interest thereon (including $..........0 on realized gains (losses))	2,263,674		2,263,674	357,436
10.2	Net deferred tax liability			0	
11.	Ceded reinsurance premiums payable			0	
12.	Amounts withheld or retained for the account of others			0	
13.	Remittances and items not allocated			0	
14.	Borrowed money (including $..........0 current) and interest thereon $..........0 (including $..........0 current)			0	
15.	Amounts due to parent, subsidiaries and affiliates	399,642		399,642	288,671
16.	Derivatives			0	
17.	Payable for securities			0	
18.	Payable for securities lending			0	
19.	Funds held under reinsurance treaties with ($..........0 authorized reinsurers and $..........0 unauthorized reinsurers)			0	
20.	Reinsurance in unauthorized companies			0	
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	
22.	Liability for amounts held under uninsured plans			0	
23.	Aggregate write-ins for other liabilities (including $..........0 current)	799,023	0	799,023	3,378,324
24.	Total liabilities (Lines 1 to 23)	107,245,533	3,144,550	110,390,083	98,853,400
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26.	Common capital stock	XXX	XXX	1,500	1,500
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX	82,888,500	82,888,500
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	7,939,068	32,875,924
32.	Less treasury stock, at cost:				
	32.1 .....0.000 shares common (value included in Line 26 $..........0)	XXX	XXX		
	32.2 .....0.000 shares preferred (value included in Line 27 $..........0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	90,829,068	115,765,924
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	201,219,151	214,619,324

DETAILS OF WRITE-INS

2301.	Amounts Due to State	799,023		799,023	3,378,324
2302.				0	
2303.				0	
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	799,023	0	799,023	3,378,324
2501.					
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.					
3002.					
3003.					
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months	XXX	2,313,188	2,217,691	2,966,124
2. Net premium income (including $..........0 non-health premium income)	XXX	895,004,229	688,817,576	998,772,343
3. Change in unearned premium reserves and reserve for rate credits	XXX			
4. Fee-for-service (net of $..........0 medical expenses)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	7,775,430	2,180,420	1,682,964
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	902,779,659	690,997,996	1,000,455,307
Hospital and Medical:				
9. Hospital/medical benefits	21,817,324	436,346,478	397,488,950	566,245,814
10. Other professional services	3,796,756	75,935,129	64,446,630	64,176,180
11. Outside referrals				
12. Emergency room and out-of-area		62,186,384	54,315,888	77,605,277
13. Prescription drugs		155,226,303	2,323,553	53,574,204
14. Aggregate write-ins for other hospital and medical	0	2,534,642	2,806,360	3,941,892
15. Incentive pool, withhold adjustments and bonus amounts		221,353		
16. Subtotal (Lines 9 to 15)	25,614,080	732,450,289	521,381,381	765,543,367
Less:				
17. Net reinsurance recoveries		5,414,765	1,411,644	1,811,341
18. Total hospital and medical (Lines 16 minus 17)	25,614,080	727,035,524	519,969,737	763,732,026
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....17,644,477 cost containment expenses	1,084,142	20,722,572	17,691,415	22,781,732
21. General administrative expenses		135,397,984	102,464,943	145,466,426
22. Increase in reserves for life and accident and health contracts (including $..........0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)	26,698,222	883,156,080	640,126,095	931,980,184
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	19,623,579	50,871,901	68,475,123
25. Net investment income earned		722,385	820,686	1,090,220
26. Net realized capital gains (losses) less capital gains tax of $..........0		38,960	94,532	102,176
27. Net investment gains or (losses) (Lines 25 plus 26)	0	761,345	915,218	1,192,396
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $..........0) (amount charged off $..........0)]				
29. Aggregate write-ins for other income or expenses	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	20,384,924	51,787,119	69,667,519
31. Federal and foreign income taxes incurred	XXX	7,543,872	17,924,794	24,324,454
32. Net income (loss) (Lines 30 minus 31)	XXX	12,841,052	33,862,325	45,343,065

DETAILS OF WRITE-INS

0601. Performance Revenue	XXX	7,775,430	2,180,420	1,682,964
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	7,775,430	2,180,420	1,682,964
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401. Transportation Costs		2,534,642	2,806,360	3,941,892
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	2,534,642	2,806,360	3,941,892
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year	115,765,925	98,938,636	98,938,636
34. Net income or (loss) from Line 32	12,841,052	33,862,325	45,343,065
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of $..........0		110,412	110,411
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	1,505,854	(249,027)	(71,021)
39. Change in nonadmitted assets	(3,283,763)	362,333	444,834
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders	(36,000,000)	(29,000,000)	(29,000,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(24,936,857)	5,086,043	16,827,289
49. Capital and surplus end of reporting period (Line 33 plus 48)	90,829,068	104,024,679	115,765,925

DETAILS OF WRITE-INS

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

CASH FLOW

		1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance	883,637,166	681,571,436	995,462,374
2.	Net investment income	1,805,942	2,124,965	2,585,742
3.	Miscellaneous income	7,775,430	2,180,420	1,682,964
4.	Total (Lines 1 through 3)	893,218,538	685,876,821	999,731,080
5.	Benefit and loss related payments	714,248,838	532,343,108	750,777,166
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	159,538,487	128,370,619	170,251,610
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $.....13,636 tax on capital gains (losses)	5,637,634	25,806,853	29,411,760
10.	Total (Lines 5 through 9)	879,424,959	686,520,580	950,440,536
11.	Net cash from operations (Line 4 minus Line 10)	13,793,579	(643,759)	49,290,544
	CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	26,403,182	19,926,074	25,945,349
	12.2 Stocks	16,017,427	5,098,016	16,000,594
	12.3 Mortgage loans			
	12.4 Real estate			
	12.5 Other invested assets			
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
	12.7 Miscellaneous proceeds			
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	42,420,608	25,024,090	41,945,942
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	8,691,947	19,832,980	27,474,642
	13.2 Stocks	16,017,427	5,098,016	16,000,594
	13.3 Mortgage loans			
	13.4 Real estate			
	13.5 Other invested assets			
	13.6 Miscellaneous applications			
	13.7 Total investments acquired (Lines 13.1 to 13.6)	24,709,373	24,930,996	43,475,236
14.	Net increase (decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	17,711,235	93,094	(1,529,293)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes			
	16.2 Capital and paid in surplus, less treasury stock			
	16.3 Borrowed funds			
	16.4 Net deposits on deposit-type contracts and other insurance liabilities			
	16.5 Dividends to stockholders	36,000,000	29,000,000	29,000,000
	16.6 Other cash provided (applied)	(124,232)	1,440,531	(2,689,739)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(36,124,232)	(27,559,469)	(31,689,739)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(4,619,419)	(28,110,133)	16,071,512
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	120,615,257	104,543,745	104,543,745
	19.2 End of period (Line 18 plus Line 19.1)	115,995,838	76,433,612	120,615,257

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

20.0001			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical) 2 Individual	 3 Group	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
Total Members at End of:										
1. Prior Year	248,004							170	247,834	
2. First Quarter	248,950							183	248,767	
3. Second Quarter	259,676							197	259,479	
4. Third Quarter	272,016							239	271,777	
5. Current Year	0									
6. Current Year Member Months	2,313,188							1,747	2,311,441	
Total Member Ambulatory Encounters for Period:										
7. Physician	1,022,371							1,562	1,020,809	
8. Non-Physician	1,606,306							2,559	1,603,747	
9. Total	2,628,677	0	0	0	0	0	0	4,121	2,624,556	0
10. Hospital Patient Days Incurred	126,002							530	125,472	
11. Number of Inpatient Admissions	26,547							81	26,466	
12. Health Premiums Written (a)	897,938,674							1,957,127	895,981,547	
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	897,938,674							1,957,127	895,981,547	
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	714,248,839							1,866,609	712,382,230	
18. Amount Incurred for Provision of Health Care Services	732,450,289							1,901,592	730,548,697	

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....1,957,127.

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
CVS / Caremark Corp.	9,486,682					9,486,682
0199999. Individually Listed Claims Unpaid	9,486,682	0	0	0	0	9,486,682
0299999. Aggregate Accounts Not Individually Listed-Uncovered	3,090,196					3,090,196
0399999. Aggregate Accounts Not Individually Listed-Covered	9,795,509					9,795,509
0499999. Subtotals	22,372,387	0	0	0	0	22,372,387
0599999. Unreported Claims and Other Claim Reserves						64,050,026
0799999. Total Claims Unpaid						86,422,413

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date: 1 On Claims Incurred Prior to January 1 of Current Year	Claims Paid Year to Date: 2 On Claims Incurred During the Year	Liability End of Current Quarter: 3 On Claims Unpaid December 31 of Prior Year	Liability End of Current Quarter: 4 On Claims Incurred During the Year	5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)					0	
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan					0	
6. Title XVIII - Medicare	122,873	1,743,736	499	434,111	123,372	299,995
7. Title XIX - Medicaid	72,929,625	639,452,605	248,160	85,739,643	73,177,785	73,185,014
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	73,052,498	641,196,341	248,659	86,173,754	73,301,157	73,485,009
10. Healthcare receivables (a)				16,117,395	0	15,966,676
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9-10+11+12)	73,052,498	641,196,341	248,659	70,056,359	73,301,157	57,518,333

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

(1) Provides limitations on investments that are outside the scope of the Manual.

(2) Provides for establishment of statutory premium reserve - provides a calculation method that differs from the Manual.

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

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

D. Loan-Backed Securities:

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

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

(2),(3) No OTTI recognized

(4) a.,b. As of September 30, 2012, these securities had a fair value of $4,818,000, for an aggregate total of $432,000 in unrealized losses; such securities have been in a continuous loss position for 12 months or longer.

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

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

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

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

8. Derivative Instruments

None

9. Income Taxes

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

		09/30/12	12/31/11
	Total of all deferred tax assets	**$2,768,184**	$1,423,151
	Statutory valuation allowance	**-**	-
	Adjusted gross deferred tax assets	**2,768,184**	1,423,151
	Total of all deferred tax liabilities	**(58,625)**	(219,446)
	Net deferred tax asset(liability) before admissibility test	**2,709,559**	1,203,705
	Total deferred tax assets non-admitted	**147,712**	-
	Net admitted DTA or DTL	**2,561,847**	1,203,705

(2) Not applicable

(3) Not applicable

(4) Admission calculation components are as follows:

		09/30/12	12/31/11
	Admitted pursuant to par. 11.a.	**$2,561,847**	$1,203,705
	Admitted pursuant to par, 11.b. (lesser of 11.b.ii. below)	**-**	-
	Par 11.b.i.	**-**	-
	Par 11.b.ii.	**13,239,537**	10,300,006
	Admitted pursuant to 11.c.	**58,625**	219,446
	Admitted deferred tax assets	**2,620,472**	$1,423,151

ExDTA ACL RBC Ratio	**335%**	435%

(5) Not applicable

(6) Not applicable

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

C. Current Tax and Change in Deferred Tax.

Current income taxes incurred consist of the following major components:

	09/30/12	12/31/11
Current income tax expense (benefit)	**$7,529,193**	$24,705,565
Tax on capital gains	**14,679**	35,762
Prior year under accrual (over accrual)	**-**	(416,872)
Federal income tax expense (benefit)	**$7,543,872**	$24,324,455

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

NOTES TO FINANCIAL STATEMENTS

		09/30/12	12/31/11	Change	Character
Deferred tax assets:					
Discounting of unpaid losses		**$574,465**	$497,479	76,986	ordinary
Unearned premium reserve		**-**	-	-	ordinary
Fixed assets		**264,457**	179,305	85,152	ordinary
Compensation and benefits accrual		**200,959**	149,196	51,763	ordinary
Receivables - nonadmitted		**1,582,004**	10,053	1,571,951	ordinary
Other		**146,299**	587,118	(440,819)	ordinary
Total deferred tax assets		**2,768,184**	1,423,151	1,345,033	
Non-admitted deferred tax assets		**(147,712)**	-	(147,712)	
Admitted deferred tax assets		**2,620,472**	1,423,151	1,197,321	
Deferred tax liabilities:					
Other		**(58,625)**	(219,446)	160,821	ordinary
Total deferred tax liabilities		**(58,625)**	(219,446)	160,821	
Non-admitted deferred tax liabilities		-	-	-	
Admitted deferred tax liabilities		**(58,625)**	(219,446)	160,821	
Net admitted deferred tax assets		**$2,561,847**	$1,203,705	$1,358,142	

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

	09/30/12	12/31/11	Change
Total deferred tax assets	**$2,768,184**	$1,423,151	$1,345,033
Total deferred tax liabilities	**(58,625)**	(219,446)	160,821
Net deferred tax asset (liability)	**2,709,559**	1,203,705	1,505,854
Tax effect of unrealized (gains)/losses			-
Change in net deferred income tax assets - increase (decrease)			$ 1,505,854

The Company is subject to taxation in the United States. With few exceptions, the Company is no longer subject to U.S. federal tax examination for tax years before 2009.

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

	Amount	Tax Effect	Effective Tax Rate
Taxes on income at federal statutory tax rate	$19,370,823	$6,779,788	35.00%
Changes in nonadmitted assets	(2,123,474)	(743,216)	-3.84%
Meals and entertainment	8,682	3,039	0.02%
Other, including Prior Year True-up	(4,551)	(1,593)	-0.01%
Reported tax expense	$17,251,480	$6,038,018	31.17%

Federal and foreign income taxes incurred	$7,543,872	38.94%
Change in net deferred income taxes	(1,505,854)	-7.77%
Total statutory income taxes	$6,038,018	31.17%

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

A. No significant change.

B.,C. In the nine months ended September 30, 2012, the Company paid ordinary dividends to Molina Healthcare, Inc. (the "Parent") amounting to $36 million in the aggregate. The payments consisted of $16 million paid on May 9, 2012, and $20 million paid on July 27, 2012.

D. No significant change.

E. On September 9, 2011, the Parent entered into a credit agreement for a $170.0 million revolving Credit Facility with various lenders to be used for general corporate purposes. The Credit Facility is collateralized by the Company's common stock , as well as the common stock of other subsidiaries of the Parent. $40.0 million was outstanding under this Credit Facility as of September 30, 2012. As of September 30, 2012, the Parent was in compliance with all financial covenants under the Credit Facility.

F. - L. No signficant change.

11. Debt

None

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

No significant change.

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

No significant change.

14. Contingencies

A. Contingent Commitments: As described in Note 10.E. above, the Parent has entered into a credit facility, which is collateralized by the Company's common stock, as well as the common stock of other subsidiaries of the Parent. $40.0M was outstanding under this Credit Facility at September 30, 2012.

B. - E. No signficant change

15. Leases

No significant change.

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

No significant change.

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

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

18. Gain or Loss to the Reporting Entity from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Fair Value Measurements

A. (1) Assets Measured at Fair Value on a Recurring Basis: The Company's assets measured at fair value on a recurring basis include primarily short-term money market funds, which are classified as short-term investments. The Plan receives monthly statements from investment brokers that provide market pricing.

(1)	(2)	(3)	(4)	(5)
Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Money market funds	$ 70,382,156			$ 70,382,156
Short-term bonds		$ 4,378,644		$ 4,378,644
Total assets at fair value	$ 70,382,156	$ 4,378,644		$ 74,760,800
b. Liabilities at fair value				
None (see (3) below)				

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

(2) None

(3) None

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

(5) None

B. - C.

(1)	(2)	(3)	(4)	(5)	(6)
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)
Bonds	$ 46,067,831	$ 46,292,909	$ 3,412,853	$ 37,836,978	$ 4,818,000
Investment income receivable	307,756	307,756			307,756
Uncollected premiums	22,757,215	22,757,215			22,757,215
Amounts recoverable from reinsurers	679,503	679,503			679,503
Amounts receivable related to uninsured plans	70,650	70,650			70,650
Health care and other receivables	15,475,564	12,547,444			15,475,564
Total	$ 85,358,519	$ 82,655,477	$ 3,412,853	$ 37,836,978	$ 44,108,688

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

21. Other Items

A. - B. No significant change

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

D-H. No significant change

22. Events Subsequent

No significant change

23. Reinsurance

No significant change

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

25. Change in Incurred Claims and Claim Adjustment Expenses

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

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

	2012	2011
Unpaid claims liabilities and claims adjustment expenses, beginning of year	**$ 74,466,273**	$ 53,846,269
Add provision for claims, net of reinsurance:		
Current year	**728,099,290**	772,361,824
Prior years	**(1,063,765)**	(8,629,798)
Net incurred claims during the current year	**727,035,525**	763,732,026
Deduct paid claims, net of reinsurance:		
Current year	**$ 641,196,341**	$ 700,778,252
Prior years	**73,052,498**	44,772,108
Net paid claims during the current year	**714,248,839**	745,550,360
Current year change in claims adjustment expenses	**105,825**	(25,223)
Current year change in health care receivables	**(528,785)**	2,947,167
Current year change in amounts due from reinsurers	**679,503**	(483,606)
Unpaid claims liabilities and claims adjustment expenses, end of year	**$ 87,509,503**	$ 74,466,273

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

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

No significant change.

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

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

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

2.2 If yes, date of change: ....

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

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [X] No [ ] N/A [ ]
If yes, attach an explanation.
In June 2012 the Company entered into a 2012-1 AMENDMENT TO SERVICES AGREEMENT, effective 06/22/12, with Molina Healthcare, Inc. amending Section 5 of Attachment 1 clarifying the existing agreement

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011......................

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006......................

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 4/10/2008........................

6.4 By what department or departments?
Ohio Department of Insurance

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

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

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

7.2 If yes, give full information:

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

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

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

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

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

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

PART 1 - FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

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

PART 1 - INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $..................................0

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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

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

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

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

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

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
149777	Morgan Stanley Smith Barney	555 California St 35th Fl, San Francisco, CA 94104

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

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent	83.5 %
1.2 A&H cost containment percent	2.0 %
1.3 A&H expense percent excluding cost containment expenses	15.4 %

2.1	Do you act as a custodian for health savings accounts?	Yes [ ] No [X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.	0
2.3	Do you act as an administrator for health savings accounts?	Yes [ ] No [X]
2.4	If yes, please provide the amount of funds administered as of the reporting date.	0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

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

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	State, Etc.	1 Active Status	2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 through 7	9 Deposit-Type Contracts
			Direct Business Only							
1.	Alabama AL	N							0	
2.	Alaska AK	N							0	
3.	Arizona AZ	N							0	
4.	Arkansas AR	N							0	
5.	California CA	N							0	
6.	Colorado CO	N							0	
7.	Connecticut CT	N							0	
8.	Delaware DE	N							0	
9.	District of Columbia DC	N							0	
10.	Florida FL	N							0	
11.	Georgia GA	N							0	
12.	Hawaii HI	N							0	
13.	Idaho ID	N							0	
14.	Illinois IL	N							0	
15.	Indiana IN	N							0	
16.	Iowa IA	N							0	
17.	Kansas KS	N							0	
18.	Kentucky KY	N							0	
19.	Louisiana LA	N							0	
20.	Maine ME	N							0	
21.	Maryland MD	N							0	
22.	Massachusetts MA	N							0	
23.	Michigan MI	N							0	
24.	Minnesota MN	N							0	
25.	Mississippi MS	N							0	
26.	Missouri MO	N							0	
27.	Montana MT	N							0	
28.	Nebraska NE	N							0	
29.	Nevada NV	N							0	
30.	New Hampshire NH	N							0	
31.	New Jersey NJ	N							0	
32.	New Mexico NM	N							0	
33.	New York NY	N							0	
34.	North Carolina NC	N							0	
35.	North Dakota ND	N							0	
36.	Ohio OH	L		1,957,127	895,981,547				897,938,674	
37.	Oklahoma OK	N							0	
38.	Oregon OR	N							0	
39.	Pennsylvania PA	N							0	
40.	Rhode Island RI	N							0	
41.	South Carolina SC	N							0	
42.	South Dakota SD	N							0	
43.	Tennessee TN	N							0	
44.	Texas TX	N							0	
45.	Utah UT	N							0	
46.	Vermont VT	N							0	
47.	Virginia VA	N							0	
48.	Washington WA	N							0	
49.	West Virginia WV	N							0	
50.	Wisconsin WI	N							0	
51.	Wyoming WY	N							0	
52.	American Samoa AS	N							0	
53.	Guam GU	N							0	
54.	Puerto Rico PR	N							0	
55.	U.S. Virgin Islands VI	N							0	
56.	Northern Mariana Islands MP	N							0	
57.	Canada CN	N							0	
58.	Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal	XXX	0	1,957,127	895,981,547	0	0	0	897,938,674	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	(a) 1	0	1,957,127	895,981,547	0	0	0	897,938,674	0

DETAILS OF WRITE-INS

		2	3	4	5	6	7	8	9
5801.								0	
5802.								0	
5803.								0	
5898.	Summary of remaining write-ins for line 58 from overflow page	0	0	0	0	0	0	0	0
5899.	Total (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0

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

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

Sch. Y-Part 1
NONE

Schedule Y-Part 1A
NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

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

Bar Code:

* 1 2 3 3 4 2 0 1 2 3 6 5 0 0 0 0 3 *

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

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

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

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	64,626,405	64,410,108
2. Cost of bonds and stocks acquired	24,709,373	43,475,236
3. Accrual of discount	10,047	1,125
4. Unrealized valuation increase (decrease)		110,411
5. Total gain (loss) on disposals	39,022	102,176
6. Deduct consideration for bonds and stocks disposed of	42,420,608	41,945,942
7. Deduct amortization of premium	671,330	1,526,708
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	46,292,909	64,626,405
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	46,292,909	64,626,405

SCHEDULE D - PART 1B

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

	1 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)	120,185,483	755,152,707	756,626,910	(3,761)	128,135,046	120,185,483	118,707,519	142,766,142
2. Class 2 (a)	46,506,451	366,820,100	360,050,000	25,622	55,263,732	46,506,451	53,302,174	51,757,343
3. Class 3 (a)	1,868,000	4,999,105	5,000,000	(27,105)		1,868,000	1,840,000	
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	168,559,934	1,126,971,913	1,121,676,910	(5,244)	183,398,778	168,559,934	173,849,693	194,523,484
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	168,559,934	1,126,971,913	1,121,676,910	(5,244)	183,398,778	168,559,934	173,849,693	194,523,484

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 $..........0; NAIC 2 $..........0; NAIC 3 $..........0; NAIC 4 $..........0; NAIC 5 $..........0; NAIC 6 $..........0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	74,760,799	XXX	74,778,247	91,835	13,784

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	78,455,232	104,797,471
2. Cost of short-term investments acquired	2,378,165,744	1,687,678,508
3. Accrual of discount	10,628	12,624
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	2,381,853,356	1,713,826,524
7. Deduct amortization of premium	17,448	206,847
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	74,760,800	78,455,232
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	74,760,800	78,455,232

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	51,441,848	
2. Cost of cash equivalents acquired	1,399,280,081	647,699,909
3. Accrual of discount	110,238	60,519
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(61)	
6. Deduct consideration received on disposals	1,398,036,122	596,311,000
7. Deduct amortization of premium		7,580
8. Total foreign exchange change in book/ adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	52,795,984	51,441,848
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	52,795,984	51,441,848

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Special Revenue and Special Assessment									
70869P FV 4	PA ECON DEV-B-BABS		09/10/2012	Morgan Stanley 15		2,125,267	1,915,000	20,105	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments					2,125,267	1,915,000	20,105	XXX
Bonds - Industrial and Miscellaneous									
05565Q BQ 0	BP CAPITAL MARKETS PLC	F	09/13/2012	Morgan Stanley 15		1,305,135	1,219,000	758	1FE
24702R AL 5	DELL INC		08/24/2012	Morgan Stanley 15		1,032,360	1,000,000	10,797	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					2,337,495	2,219,000	11,556	XXX
8399997.	Total - Bonds - Part 3					4,462,762	4,134,000	31,661	XXX
8399999.	Total - Bonds					4,462,762	4,134,000	31,661	XXX
Common Stocks - Money Market Mutual Funds									
004940 10 2	ACTIVE ASSETS MONEY TRUST		08/10/2012	Morgan Stanley 15	16,017,426.530	16,017,427	XXX		L
9399999.	Total - Common Stocks - Money Market Mutual Funds					16,017,427	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					16,017,427	XXX	0	XXX
9799999.	Total - Common Stocks					16,017,427	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					16,017,427	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					20,480,188	XXX	31,661	XXX

(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	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 Desig-nation or Market Indicator (a)
Bonds - U.S. States, Territories and Possessions																					
68608K MX 3	OR ST-A-BRD HGR ED		08/01/2012	MSSB		250,000	250,000	250,000	249,998		2		2		250,000			0	11,625	08/01/2012	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					250,000	250,000	250,000	249,998	0	2	0	2	0	250,000	0	0	0	11,625	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
73541R AA 1	PORT ST LUCIE LSE-A-W		09/01/2012	MSSB		1,170,000	1,170,000	1,190,218	1,176,667		(6,667)		(6,667)		1,170,000			0	32,971	09/01/2012	1FE
928172 RW 7	VA PUB BLDG		08/01/2012	MSSB		100,000	100,000	100,000	99,999		1		1		100,000			0	3,760	08/01/2012	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					1,270,000	1,270,000	1,290,218	1,276,666	0	(6,666)	0	(6,666)	0	1,270,000	0	0	0	36,731	XXX	XXX
Bonds - Industrial and Miscellaneous																					
141781 AV 6	CARGILL INC.		09/15/2012	MSSB		2,000,000	2,000,000	2,149,280	2,060,939		(60,939)		(60,939)		2,000,000			0	112,000	09/15/2012	1FE
428236 AG 8	HEWLETT-PACKARD CO		07/01/2012	MSSB		2,800,000	2,800,000	3,043,656	2,879,916		(79,916)		(79,916)		2,800,000			0	182,000	07/01/2012	1FE
59018Y J3 6	MERRILL LYNCH & CO		08/15/2012	MSSB		500,000	500,000	530,275	511,475		(11,475)		(11,475)		500,000			0	30,250	08/15/2012	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					5,300,000	5,300,000	5,723,211	5,452,330	0	(152,330)	0	(152,330)	0	5,300,000	0	0	0	324,250	XXX	XXX
8399997.	Total - Bonds - Part 4					6,820,000	6,820,000	7,263,429	6,978,994	0	(158,994)	0	(158,994)	0	6,820,000	0	0	0	372,606	XXX	XXX
8399999.	Total - Bonds					6,820,000	6,820,000	7,263,429	6,978,994	0	(158,994)	0	(158,994)	0	6,820,000	0	0	0	372,606	XXX	XXX
Common Stocks - Money Market Mutual Funds																					
004940 10 2	ACTIVE ASSETS MONEY TRUST		08/13/2012	Morgan Stanley 15	16,017,426.530	16,017,427	XXX	16,017,427					0		16,017,427			0		XXX	L
9399999.	Total - Common Stocks - Money Market Mutual Funds					16,017,427	XXX	16,017,427	0	0	0	0	0	0	16,017,427	0	0	0	0	XXX	XXX
9799997	Total - Common Stocks - Part 4					16,017,427	XXX	16,017,427	0	0	0	0	0	0	16,017,427	0	0	0	0	XXX	XXX
9799999.	Total - Common Stocks					16,017,427	XXX	16,017,427	0	0	0	0	0	0	16,017,427	0	0	0	0	XXX	XXX
9899999.	Total - Preferred and Common Stocks					16,017,427	XXX	16,017,427	0	0	0	0	0	0	16,017,427	0	0	0	0	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					22,837,427	XXX	23,280,855	6,978,994	0	(158,994)	0	(158,994)	0	22,837,427	0	0	0	372,606	XXX	XXX

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

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt B-Sn 1
NONE

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

Sch. DB-Pt D
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
			Rate	Amount of Interest	Amount of Interest Accrued	6	7	8	
Depository		Code	of Interest	Received During Current Quarter	at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
Solomon Smith Barney	San Francisco, CA					1,000		2,769	XXX
JP Morgan Chase	Columbus, Ohio					2,491,545	1,145,644	1,402,714	XXX
JP Morgan Chase	Columbus, Ohio					157,611	668,827	420,248	XXX
JP Morgan Chase	Columbus, Ohio					(20,635)	(21,028)	4,165	XXX
US Bank	St. Paul, MN					(18,171,269)	(13,385,823)	(13,060,819)	XXX
US Bank	St. Paul, MN					(22,507)	(8,730)	(35,774)	XXX
US Bank	St. Paul, MN					(130,930)	(220,403)	(294,249)	XXX
0199999. Total Open Depositories		XXX	XXX	0	0	(15,695,185)	(11,821,513)	(11,560,946)	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	(15,695,185)	(11,821,513)	(11,560,946)	XXX
0599999. Total Cash		XXX	XXX	0	0	(15,695,185)	(11,821,513)	(11,560,946)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
Bacardi-Martini B.V.		09/27/2012		10/01/2012	2,000,000		
Celgene Corporation		09/13/2012		10/04/2012	4,999,854		
DCP Midstream, LLC		09/19/2012		10/09/2012	4,999,522		
Devon Energy Corporation		09/18/2012		10/05/2012	4,999,861		
H. J. Heinz Finance Company		09/24/2012		10/04/2012	2,909,935		
Kinder Morgan Energy Partners, L.P.		09/17/2012		10/04/2012	4,999,804		
Marriott International, Inc.		09/17/2012		10/03/2012	4,999,908		
Northeast Utilities		09/19/2012		10/10/2012	4,899,498		
ONEOK, Inc.		09/21/2012		10/03/2012	1,187,975		
ONEOK, Inc.		09/28/2012		10/04/2012	2,999,918		
Pacific Gas and Electric Company		09/27/2012		10/01/2012	5,000,000		
Piedmont Natural Gas Company, Inc.		09/21/2012		10/05/2012	4,999,817		
Spectra Energy Capital, LLC		09/28/2012		10/02/2012	2,999,971		
WellPoint, Inc.		09/24/2012		10/15/2012	799,922		
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					52,795,984	0	0
3899999. Total - Industrial and Miscellaneous (Unaffiliated)					52,795,984	0	0
Total Bonds							
7799999. Subtotals - Issuer Obligations					52,795,984	0	0
8399999. Subtotals - Bonds					52,795,984	0	0
8699999. Total - Cash Equivalents					52,795,984	0	0