



QUARTERLY STATEMENT

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

BCS Insurance Company

NAIC Group Code	00023	(Current Period)	00023	(Prior Period)	NAIC Company Code	38245	Employer's ID Number	36-6033921
Organized under the Laws of	Ohio				State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States							
Incorporated/Organized	12/05/1950				Commenced Business	11/30/1952		
Statutory Home Office	6740 North High Street				Worthington, OH 43085			
	(Street and Number)				(City or Town, State and Zip Code)			
Main Administrative Office	2 Mid America Plaza, Suite 200				Oakbrook Terrace, IL 60181	630-472-7700		
	(Street and Number)				(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	2 Mid America Plaza, Suite 200				Oakbrook Terrace, IL 60181			
	(Street and Number or P.O. Box)				(City or Town, State and Zip Code)			
Primary Location of Books and Records	2 Mid America Plaza, Suite 200				Oakbrook Terrace, IL 60181	630-472-7700		
	(Street and Number)				(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Internet Web Site Address	www.bcsf.com							
Statutory Statement Contact	Elias Georgopoulos				630-472-7749			
	(Name)				(Area Code) (Telephone Number) (Extension)			
	lgeorgo@bcsf.com				630-472-7837			
	(E-mail Address)				(Fax Number)			

OFFICERS

Name	Title	Name	Title
Howard Francis Beacham III	President & CEO	Henry Alan Carpenter	Secretary, General Counsel & SVP
Susan Ann Pickar	Treasurer & Senior Vice President	Steven Scott Martin	Chairman of the Board

OTHER OFFICERS

Matthew Thomas Brannigan	Senior Vice President	David John Jacobs	Senior Vice President
Susan Chylla Lindquist #	Senior Vice President	Dale Edward Palka	Senior Vice President

DIRECTORS OR TRUSTEES

Howard Francis Beacham III	Matthew Thomas Brannigan	Henry Alan Carpenter	David John Jacobs
Susan Ann Pickar	Steven Scott Martin		

State ofIllinois.....

County ofDu Page.....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.

Howard Francis Beacham III President & CEO	Henry Alan Carpenter Secretary, General Counsel & SVP	Susan Ann Pickar Treasurer & Senior Vice President
Subscribed and sworn to before me this 31st day of October, 2012		a. Is this an original filing? Yes [X] No []
		b. If no:
		1. State the amendment number 0
		2. Date filed
		3. Number of pages attached 0
Laura Jameson, Notary Public October 24, 2013		

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE BCS Insurance Company

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	182,036,416		182,036,416	175,120,652
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	3,805,704		3,805,704	3,970,665
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$5,656,261), cash equivalents (\$0) and short-term investments (\$5,758,800)	11,415,061		11,415,061	5,700,423
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	197,257,181	0	197,257,181	184,791,740
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	1,474,342		1,474,342	1,456,673
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	39,980,212	2,718,649	37,261,563	25,653,772
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	581,697
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	12,004,415		12,004,415	9,456,593
16.2 Funds held by or deposited with reinsured companies	400,000		400,000	400,000
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	3,375,276	983,668	2,391,608	1,790,591
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	7,633,706	0	7,633,706	6,425,347
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	262,125,132	3,702,317	258,422,815	230,556,413
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	262,125,132	3,702,317	258,422,815	230,556,413
DETAILS OF WRITE-INS				
1101.			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)	0	0	0	0
2501. Unapplied Claim Payments	6,431,057		6,431,057	5,200,988
2502. State Income Tax & Premium Tax Recoverable	13,849		13,849	39,337
2503. Miscellaneous Accounts Receivable	9,471		9,471	10,193
2598. Summary of remaining write-ins for Line 25 from overflow page	1,179,329	0	1,179,329	1,174,829
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	7,633,706	0	7,633,706	6,425,347

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$20,132,867)	25,048,834	27,766,871
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	6,386,661	4,890,751
4. Commissions payable, contingent commissions and other similar charges	585,670	84,844
5. Other expenses (excluding taxes, licenses and fees)	480,198	329,404
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,239,118	2,259,790
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	2,979,437	2,615,231
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$22,697,559 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	17,461,048	15,363,027
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	33,661,469	17,791,952
13. Funds held by company under reinsurance treaties	68,750	68,750
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated	2,868,421	3,020,524
16. Provision for reinsurance	1,401,800	1,401,800
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	5,670,682	4,711,967
20. Derivatives		0
21. Payable for securities	508,042	0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	3,624,052	3,635,089
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	102,984,182	83,940,000
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	102,984,182	83,940,000
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	3,000,000	3,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	36,484,581	36,484,581
35. Unassigned funds (surplus)	115,954,052	107,131,832
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	155,438,633	146,616,413
38. Totals (Page 2, Line 28, Col. 3)	258,422,815	230,556,413
DETAILS OF WRITE-INS		
2501. Retroactive Reinsurance Reserve Ceded	(92,065)	(111,919)
2502. Allowance for Doubtful Accounts	2,752,000	2,752,000
2503. Retroactive Reinsurance Reserve Assumed	376,761	426,261
2598. Summary of remaining write-ins for Line 25 from overflow page	587,356	568,747
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,624,052	3,635,089
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 230,195,332)	212,210,698	185,098,948	246,334,102
1.2 Assumed (written \$ 6,621,739)	7,502,251	13,188,901	16,798,750
1.3 Ceded (written \$ 154,319,115)	139,349,039	116,343,297	153,017,136
1.4 Net (written \$ 82,497,956)	80,363,910	81,944,552	110,115,716
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 46,696,200):			
2.1 Direct	112,249,661	107,847,936	141,638,853
2.2 Assumed	2,778,751	8,593,413	9,100,285
2.3 Ceded	73,305,034	67,395,182	86,909,762
2.4 Net	41,723,378	49,046,167	63,829,376
3. Loss adjustment expenses incurred	6,113,953	3,564,462	5,117,537
4. Other underwriting expenses incurred	26,996,008	27,702,354	37,408,103
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	74,833,339	80,312,983	106,355,016
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	5,530,571	1,631,569	3,760,701
INVESTMENT INCOME			
9. Net investment income earned	5,146,033	5,501,782	7,272,537
10. Net realized capital gains (losses) less capital gains tax of \$ 407,270	897,011	666,240	866,662
11. Net investment gain (loss) (Lines 9 + 10)	6,043,044	6,168,022	8,139,199
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)	0	0	0
13. Finance and service charges not included in premiums	0	0	0
14. Aggregate write-ins for miscellaneous income	(16,535)	(62,715)	(786,763)
15. Total other income (Lines 12 through 14)	(16,535)	(62,715)	(786,763)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	11,557,080	7,736,876	11,113,137
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	11,557,080	7,736,876	11,113,137
19. Federal and foreign income taxes incurred	3,769,414	2,525,972	3,774,121
20. Net income (Line 18 minus Line 19)(to Line 22)	7,787,666	5,210,904	7,339,016
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	146,616,413	142,045,303	142,045,303
22. Net income (from Line 20)	7,787,666	5,210,904	7,339,016
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 397,383	771,391	186,335	(177,905)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	483,959	(227,156)	(25,310)
27. Change in nonadmitted assets	(313,419)	475,078	(228,891)
28. Change in provision for reinsurance	0	0	1,164,200
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	92,623	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	(3,500,000)
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	8,822,220	5,645,161	4,571,110
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	155,438,633	147,690,464	146,616,413
DETAILS OF WRITE-INS			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Retroactive Reinsurance Ceded	(19,854)	(62,436)	(65,001)
1402. Allowance for Doubtful Accounts	0	0	(189,000)
1403. Retroactive Reinsurance Assumed	0	0	(33,039)
1498. Summary of remaining write-ins for Line 14 from overflow page	3,319	(279)	(499,723)
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(16,535)	(62,715)	(786,763)
3701.		0	0
3702.		0	0
3703.		0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 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.....	86,559,917	87,034,724	115,951,809
2. Net investment income	5,853,409	5,917,598	7,833,239
3. Miscellaneous income	(16,535)	(1,016,243)	(786,763)
4. Total (Lines 1 to 3)	92,396,791	91,936,079	122,998,285
5. Benefit and loss related payments	46,989,237	50,892,860	65,875,640
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	30,984,465	29,681,932	39,746,369
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	3,812,478	2,732,783	3,180,460
10. Total (Lines 5 through 9)	81,786,180	83,307,575	108,802,469
11. Net cash from operations (Line 4 minus Line 10)	10,610,611	8,628,504	14,195,816
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	39,138,058	29,616,427	43,444,756
12.2 Stocks	0	0	0
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	50	0	0
12.7 Miscellaneous proceeds	508,042	916,982	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	39,646,150	30,533,409	43,444,756
13. Cost of investments acquired (long-term only):			
13.1 Bonds	44,139,550	37,896,939	52,968,650
13.2 Stocks	0	60,000	60,000
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)	44,139,550	37,956,939	53,028,650
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)	(4,493,400)	(7,423,530)	(9,583,894)
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.....	0	0	0
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	3,500,000
16.6 Other cash provided (applied).....	(402,573)	63,138	(356,581)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(402,573)	63,138	(3,856,581)
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)	5,714,638	1,268,112	755,341
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	5,700,423	4,945,082	4,945,082
19.2 End of period (Line 18 plus Line 19.1)	11,415,061	6,213,194	5,700,423

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices

The accompanying financial statements of the Company have been prepared on the basis of accounting procedures prescribed or permitted by the Ohio Insurance Department. The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Ohio Insurance Department.

b. Use of Estimates in the Preparation of the Financial Statements

No Change

c. Accounting Policies

No Change

2. Accounting Changes and Corrections of Errors

Accounting changes adopted to conform to the provisions of NAIC SAP or other state prescribed practices are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is generally reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. Generally, the cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at the date if the new accounting principles had been applied retroactively for all prior periods.

Effective January 1, 2012, the Company adopted Statement of Statutory Accounting Principle ("SSAP") No. 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10* ("SSAP No. 101"). SSAP No. 101 changes statutory accounting for income taxes in two key areas (1) tax contingencies and (2) the admissibility of deferred tax assets.

Under SSAP No. 101, Federal and foreign income tax contingencies are now determined under a modified version of SSAP No. 5 – Revised, Liabilities, Contingencies and Impairment of SSAP ("SSAP No. 5R"). Under this standard, the recognition of tax loss contingencies uses a more likely than not model.

SSAP No. 101 also provides for a three-step calculation to determine the admitted portion of adjusted gross deferred tax assets. In the first part of the admissibility test, all filers will be allowed to use a reversal period that corresponds to the tax loss carryback provisions of the Internal Revenue Code. (The carry back period for the Company is two years.) In the second part of the admissibility test, the reversal period and surplus limitation parameters (one year & 10 percent or three years & 15 percent) are determined based upon risk-based capital ("RBC") levels. Companies not meeting the minimum threshold are prohibited from admitting anything in this part of the admissibility test. For purposes of determining test parameters, the Company used prior year-end calculations of RBC and current period surplus thresholds.

As a result of the Company's adoption of this guidance effective January 1, 2012, the Company was able to admit more deferred tax assets. This resulted in a \$92,623 increase to statutory surplus.

3. Business Combinations and Goodwill

a. Statutory Purchase Method

None

b. Statutory Merger

None

c. Impairment Loss

None

4. Discontinued Operations

Not Applicable

NOTES TO FINANCIAL STATEMENTS

5. Investments

a. Mortgage Loans

No Change

b. Troubled Debt Restructuring for Creditors

No Change

c. Reverse Mortgages

No Change

d. Loan Backed Securities

1. Anticipated prepayments for loan-backed and structured securities are used to determine the effective yield of an issue at purchase. Changes in the estimated cash flows of the issue are incorporated when determining the statement value at the end of each quarter and year-end. Prepayments for loan-backed and structured securities were obtained from the broker dealer survey or Bloomberg Systems. These assumptions are consistent with the current interest rate and economic environment. The retrospective scientific method is used to value most loan-backed and structured securities. For structured securities deemed to be high-risk, meaning the Company might not recover substantially all of its recorded investment due to unanticipated prepayment events, changes in investment yields due to changes in estimated future cash flows are accounted for on a prospective basis.
2. The Company has the following recognized other-than-temporary impairments on loan-backed securities:

	Amortized Cost Basis Before Other-than- Temporary Impairment	Other-than-Temporary Impairment Recognized in Loss		Fair Value C1-(C2a + C2b)
		2a	2b	
		Interest	Non-interest	
Aggregate intent to sell	\$ -	\$ -	\$ -	\$ -
Aggregate intent & ability	-	-	-	-

3. The following table details loan-backed securities held as of September 30, 2012, with recognized other-than-temporary impairment charges in a prior period, that did not have additional impairments in 2012:

CUSIP	Book/adj carrying value amortized cost before current period OTTI	Projected cash flows	Recognized other-than- temporary impairment (In dollars)	Amortized cost after other-than- temporary impairment	Fair value	Date of financial statement reported
07387AAW5	\$ 222,340	217,469	4,871	217,469	139,284	September 2009
126670CM8	512,487	502,736	9,751	502,736	125,173	September 2009
126683AB7	510,256	352,195	158,061	352,195	300,707	September 2009
17307G6K9	318,395	307,806	10,589	307,806	202,617	September 2009
74958WAB2	358,941	326,537	32,404	326,537	166,582	September 2009
94983RAD6	246,682	242,840	3,842	242,840	159,505	September 2009
05949CKQ8	66,778	60,225	6,553	60,225	52,444	December 2009
07387AAW5	198,654	181,650	17,004	181,650	152,464	December 2009
126670CM8	502,507	361,137	141,370	361,137	162,417	December 2009
126683AB7	325,918	305,239	20,679	305,239	244,815	December 2009
17307G6K9	282,569	256,900	25,669	256,900	214,043	December 2009
74958WAB2	291,994	285,580	6,414	285,580	201,191	December 2009
78473WAC7	163,349	148,496	14,853	148,496	112,800	December 2009
94983RAD6	218,786	201,407	17,379	201,407	172,869	December 2009
94984GAD9	309,125	276,997	32,128	276,997	254,515	December 2009
05949CHQ2	94,361	86,742	7,619	86,742	82,868	June 2010
05949CKQ8	56,643	54,666	1,977	54,666	53,299	June 2010
07387AAW5	173,208	170,021	3,187	170,021	154,396	June 2010
126670CM8	359,686	228,671	131,015	228,671	176,566	June 2010
17307G6K9	244,330	227,920	16,410	227,920	219,649	June 2010
3623414F3	201,000	198,994	2,006	198,994	182,503	June 2010
590219AE1	232,338	223,683	8,655	223,683	219,172	June 2010
74958WAB2	262,652	242,236	20,416	242,236	197,438	June 2010
94983RAD6	187,226	185,231	1,995	185,231	169,665	June 2010

(Continued on page 6.2)

NOTES TO FINANCIAL STATEMENTS

(Continued from page 6.1)

CUSIP	Book/adj carrying value amortized cost before current period OTTI	Projected cash flows	Recognized other-than- temporary impairment (In dollars)	Amortized cost after other-than- temporary impairment	Fair value	Date of financial statement reported
05949CHQ2	83,300	80,681	2,619	80,681	75,430	September 2010
07387AAW5	163,922	158,478	5,444	158,478	148,810	September 2010
126670CM8	228,466	178,226	50,239	178,226	185,929	September 2010
12668XAC9	653,073	481,764	171,309	481,764	327,661	September 2010
17307G6K9	220,422	216,777	3,645	216,777	209,478	September 2010
32051GRD9	710,127	707,617	2,510	707,617	466,547	September 2010
3623414F3	191,743	179,560	12,184	179,560	170,314	September 2010
78473WAC7	133,540	128,811	4,729	128,811	111,084	September 2010
94983RAD6	173,702	163,905	9,797	163,905	157,933	September 2010
126670CM8	176,119	111,448	64,671	111,448	183,181	December 2010
12668XAC9	473,126	472,382	743	472,382	349,280	December 2010
32051GRD9	688,923	688,543	380	688,543	451,067	December 2010
45254NML8	36,296	35,090	1,206	35,090	27,963	December 2010
61913PAF7	28,121	27,525	596	27,525	20,422	December 2010
94984GAD9	220,030	217,647	2,383	217,647	223,257	December 2010
1248MGAP9	318,298	296,423	21,875	296,423	174,517	December 2011
12544LAA9	517,362	513,764	3,598	513,764	475,047	December 2011
225458EZ7	434,360	424,292	10,068	424,292	338,684	December 2011
74958TAB9	228,364	211,442	16,921	211,442	171,336	December 2011
949834AA3	424,400	421,464	2,935	421,464	392,751	December 2011
\$	<u>12,443,920</u>	<u>11,361,217</u>	<u>1,082,699</u>	<u>11,361,217</u>	<u>8,777,673</u>	

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
- a. The aggregate amount of unrealized losses:
- a. Less than 12 months \$42,047
- b. 12 Months or Longer \$704,388
- b. The aggregate related fair value of securities with unrealized losses was
- a. Less than 12 months \$530,617
- b. 12 Months or Longer \$7,002,384

NOTES TO FINANCIAL STATEMENTS

5. The Company periodically reviews its fixed maturity securities on a case-by-case basis to determine if any decline in fair value below amortized cost is other-than-temporary. Factors considered when determining whether a decline is other-than-temporary include the length of time a security has been in an unrealized loss position, reasons for the decline in value, expectations for the amount and timing of a recovery in fair value, and the Company's intent to sell and whether the Company is more likely than not will be required to sell the security. When the Company intends to sell an impaired security or more likely than not will be required to sell an impaired security before recovery of its amortized cost basis, an other than temporary impairment is recognized in earnings. If the Company does not expect to recover the entire amortized cost basis of an impaired debt security, even if it does not intend to sell the security and it is not more likely than not that it will not be required to sell the security before recovery of its amortized cost basis, the entity must consider, based upon an estimate of the present value of cash flows expected to be collected on the debt security as compared to its amortized cost basis, whether a credit loss exists. The portion of the total other than temporary impairment related to a credit loss is recognized in the statement of income. For structured securities the difference between amortized cost and net present value of future cash flows is considered to be a credit loss. For all other securities, the difference between fair market value and amortized cost is considered to be a credit loss. If it is determined that a decline in fair value of an investment is temporary, an other-than-temporary impairment loss is not recorded.

Generally, securities with fair values that are less than 80% of cost and other securities the Company determines are underperforming or potential problem securities are subject to regular review. To facilitate the review, securities with significant declines in value, or where objective criteria evidencing credit deterioration have been met, are included on a watch list. Among the criteria for securities to be included on a watch list are: credit deterioration which has led to a significant decline in value of the security; a significant covenant related to the security has been breached; and an issuer has filed or indicated a possibility of filing for bankruptcy, has missed or announced it intends to miss a scheduled interest or principal payment, or has experienced a specific material adverse change that may impair its creditworthiness.

When performing these reviews, the Company considers the relevant facts and circumstances relating to each investment and exercises considerable judgment in determining whether a security is other-than-temporarily impaired. Assessment factors include judgments about an obligor's current and projected financial position, an issuer's current and projected ability to service and repay its debt obligations, the existence of, and realizable value of, any collateral backing the obligations, the macro-economic and the micro-economic outlooks for specific industries and issuers. Assessing the duration of asset-backed securities can also involve assumptions regarding underlying collateral such as prepayment rates, default and recovery rates, and third-party servicing capabilities.

Among the factors considered is whether the decline in fair value results from a change in the quality of the security itself, or from a downward movement in the market as a whole, the likelihood of recovering the carrying value based on the current and short-term prospects of the issuer, and the Company's ability and intent to hold the security until such a recovery may occur. Unrealized losses that are considered to be primarily the result of market conditions, such as increasing interest rates, unusual market volatility, or industry-related events, and where the Company also believes there exists a reasonable expectation for recovery and, furthermore, has the intent and ability to hold the investment until maturity or the market recovery, are usually determined to be temporary. To the extent factors contributing to recognize other-than-temporary impairment losses affected other investments, such investments were reviewed for other-than-temporary impairment and losses were recorded when appropriate.

In addition to the review procedures described above, investment in structured securities where market prices are depressed are subject to a review of their future estimated cash flows, including expected and stress case scenarios, to identify potential shortfalls in contractual payments. Even in the case of severely depressed market values on structured securities, the Company places significant importance on the results of its cash flow testing and its ability and intent to hold these securities until their fair values recover when reaching other-than-temporary impairment conclusions. If there has been an adverse change in estimated cash flows which results in negative yield, an other-than-temporary impairment is recognized in the consolidated statements of income.

There are inherent uncertainties in assessing the fair values assigned to the Company's investments and in determining whether a decline in fair value is other-than-temporary. The Company's review of fair value involves several criteria including economic conditions, credit loss experience, other issuer-specific developments and future cash flows. These assessments are based on the best available information at the time. Factors such as market liquidity, the widening of bid/ask spreads and a change in the cash flow assumptions can contribute to future price volatility. If actual experience differs negatively from the assumptions and other consideration, realized losses may be recognized in the consolidated statements of income in future periods.

The Company currently does not have the intent to sell securities with unrealized losses not considered other-than-temporary until they mature or recover in value. However, if the specific facts and circumstances surrounding a security or the outlook for its industry sector change, the Company may sell the security and realize a loss.

e. Repurchase Agreements

None

f. Real Estate

None

g. Low Income Housing Tax Credits

Not Applicable

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies

a. Detail for Those Greater than 10% of Admitted Assets

Not Applicable

b. Write-downs for Impairments

Not Applicable

7. Investment Income

a. Accrued Investment Income

No Change

b. Amounts Nonadmitted

None

8. Derivative Instruments

None

9. Income Taxes

The September 30, 2012 and December 31, 2011 balances and related disclosures are calculated and presented pursuant to SSAP 101.

On January 1, 2012, as a result of applying paragraph 11.b., the Company increased its admitted asset threshold. The Company computed the following balances related to deferred taxes.

	January 1, 2012	December 31, 2011	Change
Gross DTA	3,999,631	3,999,631	-
Statutory Valuation Allowance Adjustment	-	-	-
Adjusted Gross DTA	3,999,631	3,999,631	-
Deferred Tax Assets Nonadmitted	1,405,486	1,498,109	(92,623)
Admitted Adjusted Gross DTA	2,594,145	2,501,522	92,623
Gross DTL	710,931	710,931	-
Net Admitted Adjusted Gross DTA	1,883,214	1,790,591	92,623

a. The net deferred tax asset at September 30, 2012 and the change from the prior year are comprised of the following components:

	September 30, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total gross deferred tax assets	3,327,288	691,081	4,018,369	2,818,894	1,180,737	3,999,631	508,394	(489,656)	18,738
Total gross deferred tax liabilities	<u>31,568</u>	<u>611,525</u>	<u>643,093</u>	<u>43,319</u>	<u>667,612</u>	<u>710,931</u>	<u>(11,751)</u>	<u>(56,087)</u>	<u>(67,838)</u>
Net deferred tax assets	3,295,720	79,556	3,375,276	2,775,575	513,125	3,288,700	520,145	(433,569)	86,576
Nonadmitted deferred tax assets	<u>904,112</u>	<u>79,556</u>	<u>983,668</u>	<u>984,984</u>	<u>513,125</u>	<u>1,498,109</u>	<u>(80,872)</u>	<u>(433,569)</u>	<u>(514,441)</u>
Net admitted deferred tax assets	<u>2,391,608</u>	<u>-</u>	<u>2,391,608</u>	<u>1,790,591</u>	<u>-</u>	<u>1,790,591</u>	<u>601,017</u>	<u>-</u>	<u>601,017</u>

NOTES TO FINANCIAL STATEMENTS

The admission calculation components of SSAP No. 101 paragraph 11 are as follows:

	September 30, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	2,367,891	-	2,367,891	1,790,591	-	1,790,591	577,300	-	577,300
b. Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets from a, above) After Application of the Threshold Limitation. (The Lesser of b.i. and b.ii. Below) Assets Expected To Be Realized Following the Balance Sheet Date	23,717	-	23,717	-	-	-	23,717	-	23,717
ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
c. Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets from a. and b. above) Offset by Gross Deferred Tax Liabilities	31,568	611,525	643,093	43,319	667,612	710,931	(11,751)	(56,087)	(67,838)
Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (Total a + b + c)	2,423,176	611,525	3,034,701	1,833,910	667,612	2,501,522	589,266	(56,087)	533,179

The Company’s risk-based capital level used for purposes of paragraph 11.b. is based on the following:

	September 30 2012	December 31, 2011	Change
Recovery Period and Threshold Limitation Amount	2330%	2205%	125%
Amount of Adjusted Capital and Surplus Used To Determine Recovery Period and Threshold Limitation	155,438,633	146,616,413	8,822,220

	September 30, 2012		
	Ordinary	Capital	Total %
Impact of Tax Planning Strategies			
Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	17%	17%
Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%

b. Unrecognized DTL’s

Not Applicable

c. Current Tax and Change in Deferred Tax

Income tax expense for the years ended September 30, 2012 and December 31, 2011 is comprised of the following components:

	September 30, 2012	December 31, 2011
Current tax expense on realized capital gains	407,270	34,296
Current tax expense	3,769,414	3,774,121
Federal income taxes incurred	4,176,684	3,808,417

NOTES TO FINANCIAL STATEMENTS

The main components of deferred income tax assets and liabilities and the changes therein are as follows:

	September 30, 2012	December 31, 2011	Change
Deferred Tax Assets			
<u>Ordinary</u>			
Discounting of unpaid losses and LAE	395,310	339,287	56,023
Change in unearned premium reserve	1,071,957	869,567	202,390
Statutory nonadmitted assets	924,341	674,360	249,981
Allowance for doubtful accounts	<u>935,680</u>	<u>935,680</u>	<u>-</u>
Subtotal	3,327,288	2,818,894	508,394
Deferred tax assets nonadmitted	<u>904,112</u>	<u>984,984</u>	<u>(80,872)</u>
Admitted ordinary deferred tax assets	2,423,176	1,833,910	589,266
<u>Capital</u>			
Unrealized losses on bonds	203,091	656,561	(453,470)
Other than temporary impairment	<u>487,990</u>	<u>524,176</u>	<u>(36,186)</u>
Subtotal	691,081	1,180,737	(489,656)
Deferred tax assets nonadmitted	<u>79,556</u>	<u>513,125</u>	<u>(433,569)</u>
Admitted capital deferred tax assets	611,525	667,612	(56,087)
Admitted deferred tax assets	3,034,701	2,501,522	533,179
Deferred Tax Liabilities			
<u>Ordinary</u>			
Bond discount accrual	<u>31,568</u>	<u>43,319</u>	<u>(11,751)</u>
Total ordinary deferred tax liabilities	31,568	43,319	(11,751)
<u>Capital</u>			
Unrealized capital losses	603,093	659,180	(56,087)
Tax free exchanges on securities	<u>8,432</u>	<u>8,432</u>	<u>-</u>
Total capital deferred tax liabilities	611,525	667,612	(56,087)
Total deferred tax liabilities	<u>643,093</u>	<u>710,931</u>	<u>(67,838)</u>
Net admitted deferred tax assets	<u>2,391,608</u>	<u>1,790,591</u>	<u>601,017</u>

The change in net deferred income taxes reported in surplus before consideration of nonadmitted assets is comprised of the following components:

	September 30, 2012	December 31, 2011	Change
Total adjusted gross deferred tax assets	4,018,369	3,999,631	18,738
Total gross deferred tax liabilities	<u>643,093</u>	<u>710,931</u>	<u>(67,838)</u>
Net deferred tax assets	3,375,276	3,288,700	86,576
Deferred tax on change in net unrealized capital losses			<u>397,383</u>
Change in net deferred income tax			483,959

NOTES TO FINANCIAL STATEMENTS

d. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items that cause the difference between the statutory federal income tax rate of 34% and BCSI's effective income tax rate are as follows:

	September 30, 2012
Current income taxes incurred	4,176,684
Change in net deferred income tax	<u>(483,959)</u>
Total income tax reported	<u>3,692,725</u>
Income before taxes	11,964,350
Expected income tax expense at 34% statutory rate	4,067,879
Increase (decrease) in actual tax reported resulting from:	
Nondeductible expense for lobbying and penalties	15,402
Tax exempt interest	(140,575)
Change in nonadmitted assets	<u>(249,981)</u>
Total income tax	<u>3,692,725</u>

e. Operating Loss and Tax Credit Carryforwards

As of September 30, 2012 and December 31, 2011, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

The income tax expense of \$4,176,684 from 2012 and \$3,830,994 from 2011 is available for recoupment in the event of future net losses. The reporting entity has a total of \$0 protective deposits which are on deposit with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.

f. Consolidated Federal Income Tax Return

The Company's federal income tax return is consolidated with its parent, BCS Financial Corporation (BCSF). The method of allocation between companies is subject to written agreement, approved by the Board of Directors. Intercompany tax balances are settled annually. Allocation is based upon separate return calculations, with credit for net losses being obtained when utilized.

10. Information Concerning Parent, Subsidiaries, and Affiliates

a. Nature of Relationships

No Change

b. Detail of Transactions Greater than 1/2% of Admitted Assets

None

c. Change in Intercompany Arrangements

None

d. Amounts Due to or from Related Parties

At September 30, 2012, the Company reported \$5,670,682 due to affiliates. This is comprised of \$3,661,174 payable to BCS Financial Corporation, \$2,026,308 payable to BCSI Agency Inc., and a \$16,800 receivable from 4 Ever Life Insurance Company.

e. Guarantees or Contingencies for Related Parties

No Change

f. Management or Service Contracts and Cost Sharing Arrangements

No Change

g. Nature of Control Relationship Disclosure

No Change

h. Amount Deducted for Investment in Upstream Company

No Change

i. Investments in SCA Entity that Exceeds 10% of Admitted Assets

No Change

NOTES TO FINANCIAL STATEMENTS

j. Investments in Impaired SCA Entities Disclosure

No Change

k. Foreign Insurance Subsidiary

No Change

l. Down Stream Holding Company Valued Using Look - Through Method

No Change

11. Debt

In the second quarter of 2010, the Company became a member of the Federal Home Loan Bank of Cincinnati (FHLBC) which provides the Company access to collateralized advances, collateralized funding agreement, and other FHLBC products. The Company's membership in FHLBC requires the ownership of member stock, and borrowing from FHLBC required the purchase of FHLBC activity based stock in an amount equal to .15 of 1 percent of total assets.

In 2010, the Company purchased \$344,400 of common stock in the FHLBC. In 2011, it purchased an additional \$60,000 of common stock and currently maintains an investment of \$404,400 in the FHLBC.

The Company, as a member of the FHLBC, has no outstanding borrowings at September 30, 2012. The Company has placed \$2,022,080 on deposit with FHLB to secure any future borrowings.

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

a. Defined Benefit Plan

No Change

b. Defined Contribution Plans

No Change

c. Multiemployer Plans

No Change

d. Consolidated/Holding Company Plans

No Change

e. Postemployment Benefits and Compensated Absences

No Change

f. Impact of Medicare Modernization Act on Postretirement Benefits

No Change

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

a. Outstanding Shares

No Change

b. Dividend Rate of Preferred Stock

Not Applicable

c. d. and e. Dividend Restrictions

All dividends require notification to the Director of the Ohio Department of Insurance. The amount of dividends that can be paid by insurance companies domiciled in Ohio without prior approval of the Director of the Ohio Department of Insurance is subject to restriction and cannot exceed the greater of ten percent of prior year end surplus or the prior year's net income. The amount of dividends that could be paid in 2012 without prior approval was \$14,661,641. No dividends were paid for the nine-month period ending September 30, 2012.

f. Restrictions on Unassigned funds

Not Applicable

g. Mutual Surplus Advances

Not Applicable

h. Company Stock Held for Special Purposes

Not Applicable

NOTES TO FINANCIAL STATEMENTS

i. Changes in Special Surplus Funds

Not Applicable

j. Changes in Unassigned Funds

The portion of unassigned funds represented or reduced by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus
1. Unrealized gains on Affiliated stock	1,170,710
2. Unrealized loss on Bonds	<u>(394,236)</u>
Total	<u><u>776,474</u></u>

k. Surplus Notes

No Change

l. - m. Quasi Reorganizations

No Change

14. Contingencies

a. Contingent Commitments and Other Contingencies

No Change

b. Guarantee Fund and Other Assessments

No Change

c. Gain Contingencies

No Change

d. Extra Contractual Obligations and Bad Faith

No Change

e. All Other Contingencies

No Change

15. Leases

a. b. and c. Disclosures Related to Lessee and Lessor Leasing Arrangements

No Change

16. Information About Financial Instruments with Off-Balance Sheet Risk

a. Face or Contract Amounts

No Change

b. Nature and Terms

No Change

c. Exposure to credit-related losses

No Change

d. Collateral Policy

No Change

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

a. Transfer of Receivables Reported as Sales

No Change

b. Transfer and Servicing of Financial Assets

No Change

NOTES TO FINANCIAL STATEMENTS

c. Wash Sales

The Company historically has not acquired securities with an NAIC designation of 3 or below. The Company has not sold and reacquired any security within a 30-day period of its original sale.

18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans

a. Administrative Services Only (ASO) Plans

No Change

b. Administrative Services Contract (ASC) Plans

No Change

c. Medicare or Similarly Structured Cost Based Reimbursement Contracts

No Change

19. Direct Premium Written/Produced by Third Party Administrators (equal to or greater than 5% of surplus)

Calculated Annually

20. Fair Value Measurements

No Material Change

21. Other Items

a. Extraordinary Items

None

b. Troubled Debt Restructuring Debtors

None

c. Other Disclosures

None

d. Uncollectible Premiums Receivable

None

e. Business Interruption Insurance Recoveries

None

f. State Transferable Tax Credits

None

g. Subprime Mortgage Related Risk Exposure

No Material Change

22. Events Subsequent

- a. Subsequent events have been considered through November 7, 2012 for these statutory financial statements which are to be issued November 15, 2012. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

23. Reinsurance

a. Unsecured Reinsurance Recoverables

No Change

b. Reinsurance Recoverable in Dispute

None

NOTES TO FINANCIAL STATEMENTS

c. Reinsurance Assumed and Ceded

Calculated Annually

d. Uncollectible Reinsurance

None

e. Commutation of Assumed Reinsurance

None

f. Retroactive Reinsurance

	<u>Ceded</u>	<u>Assumed</u>
Reserves Transferred:		
Initial Reserves	2,488,504	(316,695)
Adjustments - Prior Year(s)	(2,376,585)	(109,566)
Adjustments - Current Year	<u>(19,854)</u>	<u>49,500</u>
Current Total Asset (Liability)	<u>92,065</u>	<u>(376,761)</u>
Consideration (Paid) or Received:		
Initial Consideration	(2,488,504)	316,695
Adjustments - Prior Year(s)	-	10,219
Adjustments - Current Year	<u>-</u>	<u>-</u>
Current Total	<u>(2,488,504)</u>	<u>326,914</u>
Paid Losses (Reimbursed) or Recovered:		
Prior Year(s)	1,941,184	(587,500)
Current Year	<u>-</u>	<u>-</u>
Current Total	<u>1,941,184</u>	<u>(587,500)</u>
Cumulative Total Transferred to Unassigned Funds	<u>(455,255)</u>	<u>(637,347)</u>

g. Reinsurance Accounted for as a Deposit

No Change

h. Run-Off Agreements

Not Applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

a. Methods Used to Estimate

None

b. Method used to Record

Not Applicable

c. Amount and Percent of Net Retrospective Premiums

None

NOTES TO FINANCIAL STATEMENTS

d. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

		Small Group	Large Group	Other Categories	
Prior Reporting Year	Individual	Employer	Employer	with Rebates	Total
1 Medical Loss Ratio rebates incurred	-	-	-	-	-
2 Medical Loss Ratio rebates paid	-	-	-	-	-
3 Medical Loss Rebates unpaid	-	-	-	-	-
4 Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
5 Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
6 Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	
Current Reporting Year					
7 Medical Loss Ratio rebates incurred	-	-	-	-	-
8 Medical Loss Ratio rebates paid	-	-	-	-	-
9 Medical Loss Rebates unpaid	-	-	-	-	-
10 Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
11 Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
12 Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	

e. Calculation of nonadmitted accrued retrospective premiums

None

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated savings of loss and loss adjustment expenses attributable to insured events of prior years is \$4,376,000 or 3.0% of the prior year-end surplus, for the nine months ending September 30, 2012.

26. Intercompany Pooling Arrangements

No Change

27. Structured Settlements

a. Reserves Released due to Purchase of Annuities.

No Change

b. Annuity Insurers with Balances Due Greater than 1% of Policyholders Surplus

No Change

28. Health Care Receivables

a. Pharmaceutical Rebate Receivables

No Change

b. Risk Sharing Receivables

No Change

29. Participating Policies

None

30. Premium Deficiency Reserves

Not Applicable

31. High Deductibles

No Change

NOTES TO FINANCIAL STATEMENTS

32. Discounting of Liabilities for Unpaid Losses and Loss Adjustment Expenses

a. Tabular Discounts

The Company discounts its unpaid losses for a segment of its long term disability business on a tabular basis using a rate of 3.5%. As of the end of the current quarter and the prior year end, the discount was \$75,038.

b. Non-Tabular Discounts

Not Applicable

c. Changes in Discounting Assumptions

Not Applicable

33. Asbestos/ Environmental Reserves

Not Applicable

34. Subscriber Savings Account

Not Applicable

35. Multiple Peril Crop Insurance

No Applicable

36. Financial Guaranty Insurance

Not Applicable

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 ☒
- 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 ☒
- 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 ☒
- 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 ☒
- 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	2	3
Name of Entity	NAIC Company Code	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 ☒ 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.

12/31/2008
- 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.

12/31/2008
- 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).

05/07/2010
- 6.4

By what department or departments?
Ohio.....
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ 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 ☒
- 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 ☒
- 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 ☒
- 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	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?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes [X] No []
- 9.11

If the response to 9.1 is No, please explain:
.....
- 9.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
.....
- 9.3

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

Yes [] No [X]
- 9.31

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

FINANCIAL

- 10.1

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

Yes [] No [X]
- 10.2

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

0

INVESTMENT

- 11.1

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

Yes [X] No []
- 11.2

If yes, give full and complete information relating thereto:
The Company has \$2,022,080 of bonds on deposit with FHLB to secure a line of credit
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 [X] 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	\$0	\$0
14.22 Preferred Stock	\$0	\$0
14.23 Common Stock	\$3,566,265	\$3,401,304
14.24 Short-Term Investments	\$129,052	\$129,162
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).....	\$3,695,317	\$3,530,466
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.

GENERAL INTERROGATORIES

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

Yes [X] No []

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

1	2
Name of Custodian(s)	Custodian Address
State Street Bank and Trust Co. Boston.....	One Lincoln Street, Boston, MA 02111.....

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	2	3
Name(s)	Location(s)	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	2	3	4
Old Custodian	New Custodian	Date of Change	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	2	3
Central Registration Depository	Name(s)	Address
109875.....	Asset Allocation Management Company, LLP.....	30 North LaSalle Street, 35th Floor, Chicago, IL 60602.....
106595.....	Wellington Management Company, LLP.....	75 State Street, Boston, MA 02109.....

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

Yes [X] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto.
.....

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

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
Long Term Disability.....	0.000	3.500	75,038	0	0	75,038	(12,001)	0	0	(12,001)
.....										
.....										
.....										
.....										
TOTAL			75,038	0	0	75,038	(12,001)	0	0	(12,001)

5. Operating Percentages:

5.1 A&H loss percent.....

56.6%

5.2 A&H cost containment percent

0.9%

5.3 A&H expense percent excluding cost containment expenses.....

34.6%

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

6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$ 0.0

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

6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$ 0.0

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE BCS Insurance Company

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

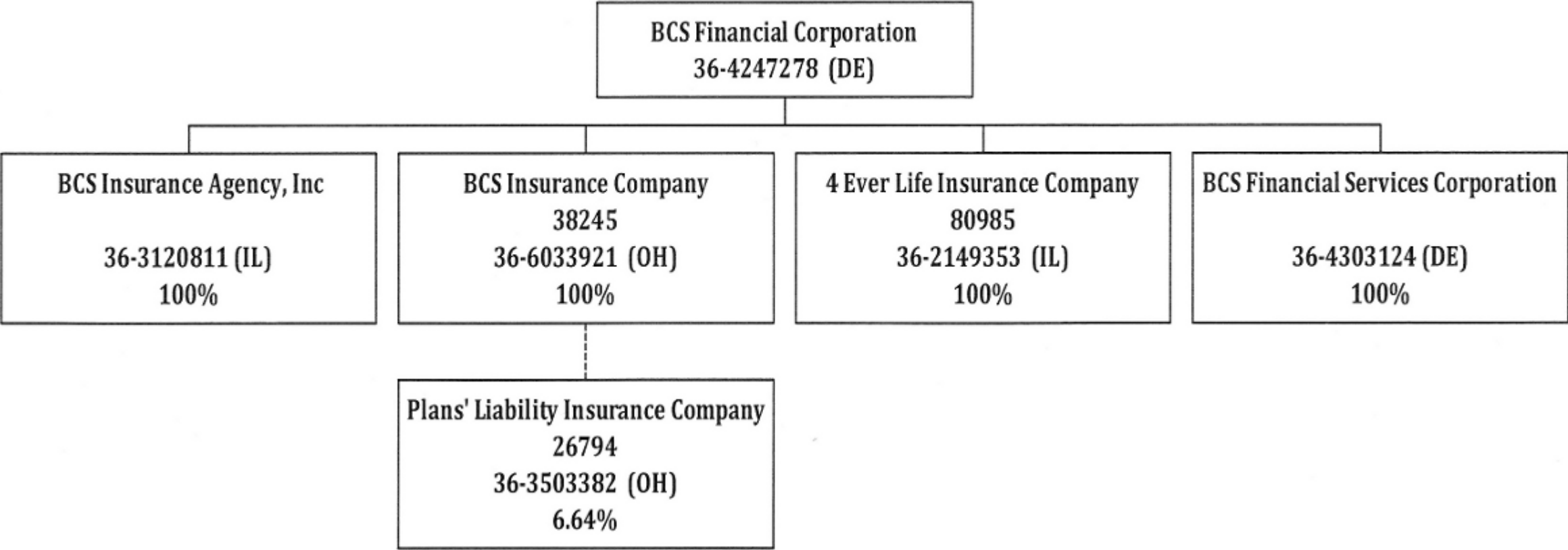
Current Year to Date - Allocated by States and Territories							
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL L	16,111,523	14,276,987	8,239,164	4,966,728	8,649,437	7,984,602
2. Alaska	AK L	257,736	288,098	171,397	150,364	52,606	79,408
3. Arizona	AZ L	3,282,499	2,453,033	1,177,671	1,640,398	1,036,350	788,069
4. Arkansas	AR L	2,054,832	1,480,571	718,647	680,603	962,111	796,231
5. California	CA L	23,629,094	18,283,177	6,192,339	8,369,502	12,488,133	11,731,518
6. Colorado	CO L	3,487,903	3,446,003	939,271	1,083,697	1,969,689	2,097,871
7. Connecticut	CT L	3,832,741	3,188,254	1,605,137	1,444,283	931,526	789,147
8. Delaware	DE L	10,394,811	902,392	1,876,468	249,426	1,437,073	295,770
9. District of Columbia	DC L	12,004,136	1,981,017	1,897,664	880,170	1,803,254	1,689,802
10. Florida	FL L	8,384,059	8,923,706	5,490,587	5,455,854	1,910,780	2,310,858
11. Georgia	GA L	4,972,771	4,339,832	2,594,652	2,001,568	1,477,751	1,300,272
12. Hawaii	HI L	120,506	117,546	45,195	33,861	119,765	110,373
13. Idaho	ID L	998,237	805,247	443,194	333,989	271,129	462,486
14. Illinois	IL L	6,716,683	6,264,960	5,599,498	6,223,471	4,603,209	4,229,657
15. Indiana	IN L	7,514,701	5,573,481	3,583,599	2,944,197	1,887,963	1,583,444
16. Iowa	IA L	1,296,558	1,209,430	905,265	652,321	334,718	349,760
17. Kansas	KS L	1,176,844	1,268,341	637,857	734,779	368,363	478,451
18. Kentucky	KY L	1,794,107	1,323,808	1,125,933	1,137,698	375,458	312,017
19. Louisiana	LA L	2,725,413	2,180,808	1,247,230	618,805	2,154,004	4,101,024
20. Maine	ME L	650,419	452,064	557,669	179,571	126,874	116,964
21. Maryland	MD L	1,696,650	1,572,361	803,119	706,800	1,917,599	669,158
22. Massachusetts	MA L	858,848	2,841,167	542,084	862,574	673,799	1,129,230
23. Michigan	MI L	5,528,830	5,657,336	2,902,167	2,148,827	13,494,098	10,332,642
24. Minnesota	MN L	2,848,356	2,920,430	1,312,684	1,328,878	991,819	1,157,571
25. Mississippi	MS L	1,451,862	1,356,223	724,432	1,414,241	396,185	376,448
26. Missouri	MO L	3,638,673	3,422,570	1,201,915	1,085,408	1,832,448	1,800,083
27. Montana	MT L	498,625	484,253	248,489	379,743	196,345	1,587,893
28. Nebraska	NE L	1,208,712	861,308	195,409	263,771	921,406	578,104
29. Nevada	NV L	1,068,699	1,078,723	613,608	728,836	257,353	271,042
30. New Hampshire	NH L	1,112,400	1,070,232	397,395	546,129	286,116	254,430
31. New Jersey	NJ L	3,237,640	2,892,999	3,903,323	6,837,392	1,316,490	1,067,241
32. New Mexico	NM L	279,030	208,048	97,058	90,938	52,825	43,675
33. New York	NY L	22,288,299	21,148,752	11,738,205	10,841,532	7,409,317	7,976,938
34. North Carolina	NC L	5,373,957	4,812,916	2,342,369	2,274,970	1,748,454	1,295,318
35. North Dakota	ND L	202,564	200,733	124,212	164,592	208,723	212,000
36. Ohio	OH L	5,936,418	5,064,859	3,445,970	3,542,018	1,215,546	1,240,733
37. Oklahoma	OK L	1,603,731	1,571,403	931,723	751,721	387,231	451,681
38. Oregon	OR L	1,169,326	1,166,762	759,606	628,499	237,757	288,963
39. Pennsylvania	PA L	10,950,522	8,393,461	3,714,101	2,967,487	4,682,230	4,650,604
40. Rhode Island	RI L	6,381,183	9,560,072	2,735,319	4,965,202	2,108,678	2,635,311
41. South Carolina	SC L	3,411,279	2,878,550	2,677,045	2,686,591	1,496,519	1,414,513
42. South Dakota	SD L	217,698	206,290	109,516	140,331	40,197	45,148
43. Tennessee	TN L	6,026,140	3,132,961	2,938,339	1,505,766	2,280,311	1,751,892
44. Texas	TX L	13,555,968	12,023,001	6,125,853	5,312,351	3,255,167	3,318,503
45. Utah	UT L	779,987	1,182,208	717,634	1,129,709	148,776	149,877
46. Vermont	VT L	212,459	386,308	64,482	97,017	469,679	491,958
47. Virginia	VA L	4,483,997	4,690,005	1,653,534	1,859,940	789,190	1,098,393
48. Washington	WA L	7,465,610	7,355,617	2,735,127	3,260,913	3,011,286	2,241,302
49. West Virginia	WV L	474,760	546,823	308,221	284,956	227,490	202,830
50. Wisconsin	WI L	3,294,475	3,154,981	2,857,861	2,525,329	1,257,101	1,060,305
51. Wyoming	WY L	1,533,063	719,500	1,173,898	392,463	944,871	392,021
52. American Samoa	AS N		0		0		0
53. Guam	GU N		0		0		0
54. Puerto Rico	PR L	0	50,001	0	0	500,994	709,661
55. U.S. Virgin Islands	VI N		0		0		0
56. Northern Mariana Islands	MP N		0		0		0
57. Canada	CN N		0		0		0
58. Aggregate Other Alien	OT XXX	0	0	0	0	0	0
59. Totals	(a) 52	230,195,332	191,369,608	105,143,137	101,506,210	97,716,192	92,503,192
DETAILS OF WRITE-INS							
5801.	XXX		0		0		0
5802.	XXX		0		0		0
5803.	XXX		0		0		0
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	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

11



12

PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

Asterisk	Explanation
1	BCS Insurance Company is the reporting entity.....

Asterisk	Explanation
1	BCS Insurance Company is the reporting entity.....

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire	0	0	0.0	0.0
2.	Allied lines			0.0	0.0
3.	Farmowners multiple peril			0.0	0.0
4.	Homeowners multiple peril			0.0	0.0
5.	Commercial multiple peril			0.0	0.0
6.	Mortgage guaranty			0.0	0.0
8.	Ocean marine			0.0	0.0
9.	Inland marine	9,764,597	3,176,269	32.5	35.6
10.	Financial guaranty			0.0	0.0
11.1	Medical professional liability -occurrence	0	0	0.0	0.0
11.2	Medical professional liability -claims made	262,523	13,378	5.1	(19.5)
12.	Earthquake			0.0	0.0
13.	Group accident and health	178,192,904	102,205,849	57.4	63.0
14.	Credit accident and health			0.0	0.0
15.	Other accident and health			0.0	0.0
16.	Workers' compensation			0.0	0.0
17.1	Other liability occurrence	23,939,059	6,878,845	28.7	0.0
17.2	Other liability-claims made			0.0	43.7
17.3	Excess Workers' Compensation			0.0	0.0
18.1	Products liability-occurrence			0.0	0.0
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability			0.0	0.0
19.3,19.4	Commercial auto liability			0.0	0.0
21.	Auto physical damage			0.0	0.0
22.	Aircraft (all perils)			0.0	0.0
23.	Fidelity	51,614	(24,680)	(47.8)	(77.9)
24.	Surety			0.0	0.0
26.	Burglary and theft			0.0	0.0
27.	Boiler and machinery			0.0	0.0
28.	Credit			0.0	0.0
29.	International			0.0	0.0
30.	Warranty			0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0.0	0.0
35.	TOTALS	212,210,697	112,249,661	52.9	58.3
DETAILS OF WRITE-INS					
3401.				0.0	0.0
3402.				0.0	0.0
3403.				0.0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	0		0
2.	Allied lines	0		0
3.	Farmowners multiple peril	0		0
4.	Homeowners multiple peril	0		0
5.	Commercial multiple peril	0		0
6.	Mortgage guaranty	0		0
8.	Ocean marine	0		0
9.	Inland marine	1,867,549	9,778,067	16,129,324
10.	Financial guaranty	0		0
11.1	Medical professional liability-occurrence	0		0
11.2	Medical professional liability-claims made	2,279	168,484	149,886
12.	Earthquake	0		0
13.	Group accident and health	77,311,250	191,078,597	149,555,617
14.	Credit accident and health	0		0
15.	Other accident and health	0		0
16.	Workers' compensation	0		0
17.1	Other liability occurrence	0		0
17.2	Other liability-claims made	4,945,272	29,101,498	25,353,470
17.3	Excess Workers' Compensation	0		0
18.1	Products liability-occurrence	0		0
18.2	Products liability-claims made	0		0
19.1,19.2	Private passenger auto liability	0		0
19.3,19.4	Commercial auto liability	0		0
21.	Auto physical damage	0		0
22.	Aircraft (all perils)	0		0
23.	Fidelity	0	68,686	181,311
24.	Surety	0		0
26.	Burglary and theft	0		0
27.	Boiler and machinery	0		0
28.	Credit	0		0
29.	International	0		0
30.	Warranty	0		0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	84,126,350	230,195,332	191,369,608
DETAILS OF WRITE-INS				
3401.		0		0
3402.		0		0
3403.		0		0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2009 + Prior	735	544	1,279	117		117	251		236	487	(367)	(308)	(675)
2. 2010	978	1,058	2,036	1,318		1,318	695		206	901	1,035	(852)	183
3. Subtotals 2010 + prior	1,713	1,602	3,315	1,435	0	1,435	946	0	442	1,388	668	(1,160)	(492)
4. 2011.....	2,491	26,852	29,343	19,203		19,203	2,882		3,374	6,256	19,594	(23,478)	(3,884)
5. Subtotals 2011 + prior	4,204	28,454	32,658	20,638	0	20,638	3,828	0	3,816	7,644	20,262	(24,638)	(4,376)
6. 2012	XXX	XXX	XXX	XXX	28,422	28,422	XXX	3,417	20,374	23,791	XXX	XXX	XXX
7. Totals	4,204	28,454	32,658	20,638	28,422	49,060	3,828	3,417	24,190	31,435	20,262	(24,638)	(4,376)
8. Prior Year-End Surplus As Regards Policy-holders	146,616										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 482.0	2. (86.6)	3. (13.4)
											Col. 13, Line 7 Line 8		
											4. (3.0)		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

- 1.
- 3.

Bar Code:

1.



382452012490000003

3.



382452012365000003

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE BCS Insurance Company

OVERFLOW PAGE FOR WRITE-INS

PQ002 Additional Aggregate Lines for Page 02 Line 25.
*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
2504. Intercompany Reinsurance Asset.....	1,174,829		1,174,829	1,174,829
2505. Continuity Credit Receivable.....	4,500		4,500	
2597. Summary of remaining write-ins for Line 25 from Page 02	1,179,329	0	1,179,329	1,174,829

PQ003 Additional Aggregate Lines for Page 03 Line 25.
*LIAB

	1	2
	Current Statement Date	December 31, Prior Year
2504. Miscellaneous Liability.....	87,356	68,747
2505. Proposed Market Conduct Fine.....	500,000	500,000
2597. Summary of remaining write-ins for Line 25 from Page 03	587,356	568,747

PQ004 Additional Aggregate Lines for Page 04 Line 14.
*STMTINCOME

	1	2	3
	Current Year to Date	Prior Year to Date	Prior Year Ended December 31
1404. Miscellaneous Income.....	3,319	(279)	277
1405. Proposed Market Conduct Fine.....	0	0	(500,000)
1497. Summary of remaining write-ins for Line 14 from Page 04	3,319	(279)	(499,723)

SCHEDULE A – VERIFICATION

Real Estate

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

SCHEDULE B – VERIFICATION

Mortgage Loans

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

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	179,091,320	169,535,612
2. Cost of bonds and stocks acquired	44,139,548	53,028,650
3. Accrual of discount	243,963	339,842
4. Unrealized valuation increase (decrease)	1,168,770	(269,554)
5. Total gain (loss) on disposals	1,304,230	1,054,395
6. Deduct consideration for bonds and stocks disposed of	39,138,064	43,444,756
7. Deduct amortization of premium	967,645	999,432
8. Total foreign exchange change in book/adjusted carrying value .....		.0
9. Deduct current year's other than temporary impairment recognized		153,437
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	185,842,122	179,091,320
11. Deduct total nonadmitted amounts .....	.0	.0
12. Statement value at end of current period (Line 10 minus Line 11)	185,842,122	179,091,320

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE BCS Insurance Company

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).....	158,786,046	26,837,659	22,458,476	(1,527,205)	159,215,617	158,786,046	161,638,024	157,379,836
2. Class 2 (a).....	24,373,557	236,316	1,961,881	(293,504)	22,234,704	24,373,557	22,354,488	20,130,659
3. Class 3 (a).....	1,019,144		45,740	959,022	1,524,651	1,019,144	1,932,426	1,052,177
4. Class 4 (a).....	891,440		16,624	775,237	415,656	891,440	1,650,053	437,996
5. Class 5 (a).....	0			275,143	0	0	275,143	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	185,070,187	27,073,975	24,482,721	188,693	183,390,628	185,070,187	187,850,134	179,000,668
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	185,070,187	27,073,975	24,482,721	188,693	183,390,628	185,070,187	187,850,134	179,000,668

(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 \$

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	5,758,800	XXX	5,758,800	132	0

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.....	3,825,103	4,896,083
2. Cost of short-term investments acquired	39,784,302	36,402,716
3. Accrual of discount	147	0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals	51	0
6. Deduct consideration received on disposals	37,850,803	37,473,696
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).....	5,758,800	3,825,103
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	5,758,800	3,825,103

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

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.....	0	0
2. Cost of cash equivalents acquired	1,000,000	0
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals	1,000,000	0
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)	0	0
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

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 SEPTEMBER 30, 2012 OF THE BCS Insurance Company

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. Governments									
912810-QX-9	US Treasury N/B 2.750% 08/15/42		09/28/2012	Credit Suisse 1st Boston		197,125	200,000	702	1
912828-PC-8	US Treasury N/B 2.625% 11/15/20		09/14/2012	RBS Green		870,753	800,000	7,133	1
912828-RC-6	US Treasury N/B 2.125% 08/15/21		09/28/2012	Citigroup Global Mkts Inc.		317,379	300,000	814	1
912828-TJ-9	US Treasury N/B 1.625% 08/15/22		08/31/2012	Various		695,906	700,000	283	1
0599999 - Bonds - U.S. Governments						2,081,163	2,000,000	8,932	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
015302-P8-9	Alexandria Va Ser B 5.000% 06/15/23		07/23/2012	Hutchinson		580,338	450,000		1FE
041431-KS-5	Arlington Cnty Va Ser C 5.000% 08/15/2		08/27/2012	Barclays Capital Fixed Inc.		1,265,050	1,000,000	9,722	1FE
100853-PR-5	Boston Ma Ser A 5.000% 04/01/22		07/10/2012	Southwest Securities Inc.		641,260	500,000	7,014	1FE
181059-BY-1	Clark Cnty Nv Sch Dist Ser B 5.000% 06		08/21/2012	Morgan Stanley & Co Inc.		277,538	250,000	2,396	1FE
266705-E2-4	Durham Cnty Nc 5.000% 11/01/20		07/17/2012	Hutchinson		638,015	500,000	5,486	1FE
303820-6Z-2	Fairfax Cnty Va Ser B 5.000% 04/01/22		08/27/2012	Barclays Capital Fixed Inc.		1,286,670	1,000,000	20,694	1FE
545896-6F-4	Loudoun Cnty Va Ser A 5.000% 12/01/20		07/24/2012	Southwest Securities Inc.		513,752	400,000	56	1FE
545896-6G-2	Loudoun Cnty Va Ser A 5.000% 12/01/21		07/23/2012	Southwest Securities Inc.		537,873	415,000	0	1FE
969871-3F-7	Williamson Cnty Tn 5.000% 04/01/22		08/27/2012	Raymond James/FI		804,214	630,000	13,038	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						6,544,710	5,145,000	58,406	XXX
Bonds - U.S. Special Revenue									
167593-HV-7	Chicago Ill 0 hare Internationa Ser B 5		08/09/2012	Barclays Capital Fixed Inc.		286,163	250,000	0	1FE
3132HL-3K-7	FGLMC Pool Q10802 3.000% 08/01/42		08/31/2012	Wells Fargo		505,503	489,221	489	1
452256-AW-0	Illinois St Unemployment Insur Ser B 5		07/19/2012	Citigroup Global Mkts Inc.		228,016	200,000	0	1FE
469485-KW-5	Jacksonville Fl Sales Tax Reve Ser A 5		08/02/2012	Goldman Sachs & Co		390,074	335,000	0	1FE
59259Y-RZ-4	Met Transprt Auth Ny Revenue Ser E 5		07/13/2012	DEPFA First Albany Securities		184,148	155,000	0	1FE
611530-AT-3	Monroeville PA Fin Auth UPMC 4.000% 02		07/20/2012	JP Morgan		242,762	225,000	0	1FE
882117-W8-3	Texas St A & M Perm Univfund Ser A 5.0		07/01/2012	JP Morgan		620,145	500,000	0	1FE
934864-AM-1	Warren Cnty Ky Hosp Revenue 5.000% 04/		07/23/2012	Morgan Keegan & Company		226,186	195,000	0	1FE
944514-PP-7	Wayne Cnty Mi Arpt Auth Revenu Ser D 5		08/24/2012	Citigroup Global Mkts Inc.		178,266	160,000	0	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						2,861,263	2,509,221	489	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
30261M-AE-2	Fremf Mortgage Trust Series 2012 - K710		07/13/2012	Chase Securities Inc.		53,647	55,000	151	1FE
30263F-AL-9	FREMF Mortgage Trust Series 2011-K702 Cl		07/01/2012	Morgan Stanley & Co Inc.				(4)	1FM
62951T-AA-3	New York City Tax Lien Series 2012-AA Cl		08/01/2012	Chase Securities Inc.		164,988	165,000	0	1FE
637417-AE-6	Natl Retail Properties 3.800% 10/15/22		08/07/2012	Citigroup Global Mkts Inc.		236,316	240,000	0	2FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						454,951	460,000	147	XXX
8399997 - Subtotals- Bonds - Part 3						11,942,087	10,114,221	67,974	XXX
8399999 - Subtotals - Bonds						11,942,087	10,114,221	67,974	XXX
9999999 Totals						11,942,087	XXX	67,974	XXX

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

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE BCS Insurance Company

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	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
36200K-W8-6...	GNMA Pool 603771 5.500% 05/15/33		09/01/2012	Paydown		5,426	5,426	5,661	5,648		(222)		(222)		5,426			.0	.188	05/15/2033	1
36201X-KK-3...	GNMA Pool 606098 5.500% 06/15/33		09/01/2012	Paydown		1,883	1,883	1,965	1,960		(76)		(76)		1,883			.0	.67	06/15/2033	1
36209R-2T-9...	GNMA Pool 479686 8.000% 09/15/30		09/01/2012	Paydown		25	25	26	26		(1)		(1)		25			.0	.1	09/15/2030	1
36211U-HD-7...	GNMA Pool 523228 8.000% 10/15/30		09/01/2012	Paydown		13	13	13	13				.0		13			.0	.1	10/15/2030	1
36213F-MD-2...	GNMA Pool 553056 5.500% 02/15/33		09/01/2012	Paydown		6,855	6,855	7,016	7,005		(150)		(150)		6,855			.0	.266	02/15/2033	1
36241K-BZ-0...	GNMA Pool 781856 6.000% 08/15/34		09/01/2012	Paydown		10,844	10,844	11,219	11,196		(352)		(352)		10,844			.0	.435	08/15/2034	1
36241K-J6-6...	GNMA Pool 782085 7.000% 11/15/33		09/01/2012	Paydown		1,962	1,962	2,031	2,026		(64)		(64)		1,962			.0	.90	11/15/2033	1
36241K-J7-4...	GNMA Pool 782086 7.000% 11/15/31		09/01/2012	Paydown		1,246	1,246	1,290	1,286		(40)		(40)		1,246			.0	.58	11/15/2031	1
36241K-J6-4...	GNMA Pool 782063 7.000% 03/15/32		09/01/2012	Paydown		353	353	370	368		(15)		(15)		353			.0	.16	03/15/2032	1
36241K-JL-3...	GNMA Pool 782067 7.000% 11/15/32		09/01/2012	Paydown		3,348	3,348	3,493	3,483		(135)		(135)		3,348			.0	.154	11/15/2032	1
36241K-JP-4...	GNMA Pool 782070 7.000% 06/15/32		09/01/2012	Paydown		1,761	1,761	1,837	1,831		(71)		(71)		1,761			.0	.81	06/15/2032	1
36241K-JQ-2...	GNMA Pool 782071 7.000% 05/15/33		09/01/2012	Paydown		580	580	605	603		(23)		(23)		580			.0	.27	05/15/2033	1
36241K-JR-0...	GNMA Pool 782072 7.000% 07/15/33		09/01/2012	Paydown		2,155	2,155	2,249	2,242		(87)		(87)		2,155			.0	.100	07/15/2033	1
36241K-JS-8...	GNMA Pool 782073 7.000% 03/15/32		09/01/2012	Paydown		526	526	550	548		(21)		(21)		526			.0	.25	03/15/2032	1
36295Q-BH-2...	GNMA Pool 676940 5.000% 04/15/38		09/01/2012	Paydown		49,005	49,005	50,046	50,021		(1,016)		(1,016)		49,005			.0	1,667	04/15/2038	1
36296T-UY-7...	GNMA Pool 700899 6.000% 11/15/38		09/01/2012	Paydown		8,399	8,399	8,698	8,696		(297)		(297)		8,399			.0	.296	11/15/2038	1
38374L-5Y-3...	GNMA Series 2005-74 Class HB 7.500% 09		09/01/2012	Paydown		186	186	198	195		(9)		(9)		186			.0	.9	09/16/2035	1
38374L-5Z-0...	GNMA Series 2005-74 Class HC 7.500% 09		09/01/2012	Paydown		1,521	1,521	1,621	1,601		(79)		(79)		1,521			.0	.76	09/16/2035	1
62888V-AB-4...	NCUA Guaranteed Notes Series 2010-R1 Cla		09/04/2012	Paydown		30,996	30,996	31,113	31,069		(73)		(73)		30,996			.0	.380	10/07/2020	1
62888W-AC-0...	NCUA Guaranteed Notes Series 2010-R3 Cla		09/06/2012	Paydown		2,437	2,437	2,431	2,432		.5		.5		2,437			.0	.39	12/08/2020	1
912810-DZ-8...	US Treasury N/B 8.875% 08/15/17		07/24/2012	Citigroup Global Mkts Inc.		988,504	700,000	954,680	886,239		(17,113)		(17,113)		869,126		119,378	119,378	58,541	08/15/2017	1
912828-QN-3...	US Treasury N/B 3.125% 05/15/21		07/12/2012	Citigroup Global Mkts Inc.		201,954	175,000	176,395	176,326		(66)		(66)		176,260		25,694	25,694	3,611	05/15/2021	1
0599999 - Bonds - U.S. Governments						1,319,979	1,004,521	1,263,507	1,194,814	0	(19,905)	0	(19,905)	0	1,174,907	0	145,072	145,072	66,128	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
882722-JU-6...	Texas St 5.000% 10/01/19		09/06/2012	Guggen		745,170	600,000	730,578	714,386		(9,438)		(9,438)		704,948		40,222	40,222	28,333	10/01/2019	1FE
1799999 - Bonds - U.S. States, Territories and Possessions						745,170	600,000	730,578	714,386	0	(9,438)	0	(9,438)	0	704,948	0	40,222	40,222	28,333	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
584002-RA-9...	Mecklenburg Cnty NC 5.250% 12/01/25		08/29/2012	Loop Capital Markets		252,310	185,000	225,391	224,984		(1,537)		(1,537)		223,447		28,864	28,864	8,283	12/01/2025	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						252,310	185,000	225,391	224,984	0	(1,537)	0	(1,537)	0	223,447	0	28,864	28,864	8,283	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
047856-EX-3...	Atlanta GA Urban Resi Fin Auth Prog - Se		09/01/2012	Call	100.0000	15,000	15,000	15,735	15,673		(30)		(30)		15,644		(644)	(644)	.573	03/01/2041	1FE
3128K5-WP-3...	FHLNC Pool A45154 6.000% 05/01/35		09/01/2012	Paydown		7,285	7,285	7,479	7,471		(186)		(186)		7,285			.0	.322	05/01/2035	1
3128K0-D7-8...	FHLNC Pool A60126 6.000% 05/01/37		09/01/2012	Paydown		24,344	24,344	25,515	25,495		(1,151)		(1,151)		24,344			.0	1,024	05/01/2037	1
3128KY-JB-6...	FHLNC Pool A67458 6.000% 11/01/37		09/01/2012	Paydown		14,525	14,525	14,756	14,748		(223)		(223)		14,525			.0	.604	11/01/2037	1

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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 Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig- nation or Market Indicator (a)
3128L0-Q8-8...	FHLMC Pool A68579 6.000% 11/01/37...		09/01/2012	Paydown.....		41,394	41,394	42,361	42,337		(942)		(942)		41,394			0	1,662	11/01/2037	1
3128L0-V6-6...	FHLMC Pool A68737 6.500% 11/01/37...		09/01/2012	Paydown.....		17,224	17,224	17,578	17,568		(344)		(344)		17,224			0	762	11/01/2037	1
3128M4-HY-2...	FHLMC Pool G02647 5.500% 02/01/37...		09/01/2012	Paydown.....		29,733	29,733	29,408	29,416		317		317		29,733			0	1,090	02/01/2037	1
3128M5-4E-7...	FHLMC Pool G04121 5.500% 04/01/38...		09/01/2012	Paydown.....		143,895	143,895	156,216			(12,321)		(12,321)		143,895			0	4,605	04/01/2038	1
3128M5-GR-5...	FHLMC Pool G03508 6.000% 07/01/37...		09/01/2012	Paydown.....		28,359	28,359	28,607	28,600		(241)		(241)		28,359			0	1,137	07/01/2037	1
3128M6-EP-9...	FHLMC Pool G04342 6.000% 04/01/38...		09/01/2012	Paydown.....		31,983	31,983	32,003	32,001		(18)		(18)		31,983			0	1,291	04/01/2038	1
3128M7-YV-2...	FHLMC Pool G05824 5.500% 01/01/40...		09/01/2012	Paydown.....		16,277	16,277	17,246	17,224		(946)		(946)		16,277			0	597	01/01/2040	1
3128M8-G3-2...	FHLMC Pool G06218 3.500% 12/01/40...		09/01/2012	Paydown.....		9,299	9,299	9,400	9,400		(101)		(101)		9,299			0	226	12/01/2040	1
3128MB-VC-8...	FHLMC Pool G13111 6.500% 03/01/23...		09/01/2012	Paydown.....		14,293	14,293	14,811	14,758		(465)		(465)		14,293			0	643	03/01/2023	1
3128MJ-DT-4...	FHLMC Pool G08113 6.500% 02/01/36...		09/01/2012	Paydown.....		7,782	7,782	7,942	7,935		(153)		(153)		7,782			0	336	02/01/2036	1
3128MJ-PS-3...	FHLMC Pool G08432 4.500% 01/01/41...		09/01/2012	Paydown.....		20,087	20,087	20,484	20,476		(389)		(389)		20,087			0	599	01/01/2041	1
3128MM-PE-7...	FHLMC Pool G18420 3.000% 01/01/27...		08/22/2012	Various.....		1,107,994	1,059,343	1,097,247			(1,187)		(1,187)		1,096,060		11,933	11,933	20,314	01/01/2027	1
3128MM-PE-7...	FHLMC Pool 312356 3.000% 01/01/27...		08/01/2012	Paydown.....		88,661	88,661	91,834			(3,172)		(3,172)		88,661			0	1,452	01/01/2027	1
3128PR-TM-1...	FHLMC Pool C01527 4.000% 06/01/25...		09/01/2012	Paydown.....		43,879	43,879	45,319	45,240		(1,361)		(1,361)		43,879			0	1,154	06/01/2025	1
31292H-VU-5...	FHLMC Pool A91947 5.500% 04/01/33...		09/01/2012	Paydown.....		23,037	23,037	23,645	23,605		(568)		(568)		23,037			0	842	04/01/2033	1
312940-EU-9...	FHLMC Pool A91947 5.000% 04/01/40...		09/01/2012	Paydown.....		47,017	47,017	48,670	48,635		(1,618)		(1,618)		47,017			0	1,570	04/01/2040	1
312941-3E-5...	FHLMC Pool A93497 4.500% 08/01/40...		09/01/2012	Paydown.....		20,113	20,113	20,753	20,743		(629)		(629)		20,113			0	611	08/01/2040	1
312942-4G-7...	FHLMC Pool A94423 4.000% 10/01/40...		09/01/2012	Paydown.....		43,396	43,396	44,980	44,941		(1,545)		(1,545)		43,396			0	1,081	10/01/2040	1
312942-CQ-6...	FHLMC Pool A93679 4.000% 09/01/40...		09/01/2012	Paydown.....		49,944	49,944	51,177	51,154		(1,210)		(1,210)		49,944			0	1,272	09/01/2040	1
312942-Y2-5...	FHLMC Pool A94329 4.000% 10/01/40...		09/01/2012	Paydown.....		4,344	4,344	4,289	4,290		54		54		4,344			0	106	10/01/2040	1
312942-YK-5...	FHLMC Pool A94314 4.500% 10/01/40...		09/01/2012	Paydown.....		34,176	34,176	35,443	35,424		(1,249)		(1,249)		34,176			0	1,000	10/01/2040	1
312942-Z9-9...	FHLMC Pool A94368 4.000% 10/01/40...		09/01/2012	Paydown.....		10,656	10,656	10,521	10,523		133		133		10,656			0	316	10/01/2040	1
312943-GL-1...	FHLMC Pool A94703 3.500% 11/01/40...		09/01/2012	Paydown.....		36,157	36,157	36,462	36,453		(296)		(296)		36,157			0	839	11/01/2040	1
312943-QZ-9...	FHLMC Pool A94972 4.500% 11/01/40...		09/01/2012	Paydown.....		15,298	15,298	15,678	15,671		(373)		(373)		15,298			0	451	11/01/2040	1
312943-JP-6...	FHLMC Pool A95090 4.500% 11/01/40...		09/01/2012	Paydown.....		41,347	41,347	42,382	42,361		(1,014)		(1,014)		41,347			0	1,272	11/01/2040	1
312965-HQ-2...	FHLMC Pool B12939 5.000% 04/01/19...		09/01/2012	Paydown.....		27,823	27,823	28,666	28,368		(545)		(545)		27,823			0	941	04/01/2019	1
312965-T4-8...	FHLMC Pool B13271 4.500% 04/01/19...		09/01/2012	Paydown.....		27,727	27,727	27,489	27,546		182		182		27,727			0	823	04/01/2019	1
312976-6W-6...	FHLMC Pool A28985 6.000% 12/01/34...		09/01/2012	Paydown.....		438	438	453	452		(14)		(14)		438			0	18	12/01/2034	1
31297V-Y6-9...	FHLMC Pool A39733 5.000% 11/01/35...		09/01/2012	Paydown.....		55,226	55,226	53,025	53,097		2,129		2,129		55,226			0	1,822	11/01/2035	1
3132GD-5T-5...	FGLMC Pool Q00858 4.000% 05/01/41...		09/01/2012	Paydown.....		29,982	29,982	30,329	30,323		(341)		(341)		29,982			0	849	05/01/2041	1
3132GG-CG-8...	FGLMC Pool Q02771 4.000% 08/01/41...		09/01/2012	Paydown.....		39,925	39,925	41,490	41,476		(1,551)		(1,551)		39,925			0	1,068	08/01/2041	1
3132GJ-EL-9...	FGLMC Pool Q03139 4.000% 09/01/41...		09/01/2012	Paydown.....		24,061	24,061	25,177	25,166		(1,106)		(1,106)		24,061			0	656	09/01/2041	1
3132GK-V9-4...	FHLMC Pool Q04540 3.500% 11/01/41...		09/01/2012	Paydown.....		80,924	80,924	82,363	82,357		(1,433)		(1,433)		80,924			0	1,922	11/01/2041	1

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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 Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig- nation or Market Indicator (a)
31371K-2Z-3	FNMA Pool 254692 5.500% 03/01/33		09/01/2012	Paydown		34,340	34,340	34,791	34,758		(419)		(419)		34,340			.0	1,270	03/01/2033	1
31371K-R2-9	FNMA Pool 254405 6.000% 08/01/32		09/01/2012	Paydown		6,394	6,394	6,399	6,397		(3)		(3)		6,394			.0	257	08/01/2032	1
31371K-WJ-6	FNMA Pool 254549 6.000% 12/01/32		09/01/2012	Paydown		5,039	5,039	5,159	5,150		(112)		(112)		5,039			.0	203	12/01/2032	1
31371L-CD-9	FNMA Pool 254868 5.000% 09/01/33		09/01/2012	Paydown		23,723	23,723	24,297	24,278		(555)		(555)		23,723			.0	791	09/01/2033	1
31371L-CE-7	FNMA Pool 254869 5.500% 09/01/33		09/01/2012	Paydown		13,313	13,313	13,347	13,342		(28)		(28)		13,313			.0	491	09/01/2033	1
31371M-UK-1	FNMA Pool 256286 6.000% 06/01/36		09/01/2012	Paydown		13,059	13,059	12,839	12,844		215		215		13,059			.0	522	06/01/2036	1
31371M-EW-1	FNMA Pool 256749 6.000% 06/01/37		09/01/2012	Paydown		54,370	54,370	58,991	58,911		(4,542)		(4,542)		54,370			.0	2,156	06/01/2037	1
31377U-EC-3	FNMA Pool 387231 5.010% 01/01/15		09/01/2012	Paydown		659	659	633	648		11		11		659			.0	22	01/01/2015	1
31378R-YU-7	FNMA Pool 406723 6.500% 03/01/13		09/01/2012	Paydown		1,284	1,284	1,293	1,282		3		3		1,284			.0	56	03/01/2013	1
31379F-ZD-9	FNMA Pool 418440 6.500% 05/01/13		09/01/2012	Paydown		363	363	384	365		(2)		(2)		363			.0	16	05/01/2013	1
31381Q-2U-9	FNMA Pool 467987 3.740% 04/01/18		09/01/2012	Paydown		400	400	405	404		(4)		(4)		400			.0	10	04/01/2018	1
31383V-JS-3	FNMA Pool 514273 7.000% 09/01/29		09/01/2012	Paydown		273	273	278	278		(4)		(4)		273			.0	13	09/01/2029	1
31384P-S6-3	FNMA Pool 529841 7.500% 02/01/30		09/01/2012	Paydown		117	117	120	119		(2)		(2)		117			.0	6	02/01/2030	1
31385H-5J-7	FNMA Pool 545449 6.500% 02/01/17		09/01/2012	Paydown		2,840	2,840	2,978	2,909		(69)		(69)		2,840			.0	124	02/01/2017	1
31385W-3Z-0	FNMA Pool 555316 4.823% 02/01/13		09/01/2012	Paydown		11,647	11,647	11,858	11,671		(24)		(24)		11,647			.0	498	02/01/2013	1
31385W-WZ-8	FNMA Pool 555164 6.500% 11/01/17		09/01/2012	Paydown		1,494	1,494	1,567	1,534		(40)		(40)		1,494			.0	65	11/01/2017	1
31385X-BC-0	FNMA Pool 555435 4.501% 05/01/13		09/01/2012	Paydown		6,809	6,809	6,745	6,776		32		32		6,809			.0	189	05/01/2013	1
31386Q-F4-8	FNMA Pool 569987 7.500% 02/01/31		09/01/2012	Paydown		45	45	46	46		(1)		(1)		45			.0	2	02/01/2031	1
31389N-XM-2	FNMA Pool 630784 6.000% 03/01/32		09/01/2012	Paydown		124	124	124	124				.0		124			.0	5	03/01/2032	1
31389R-UG-9	FNMA Pool 633383 5.500% 05/01/17		09/01/2012	Paydown		7,807	7,807	7,755	7,767		40		40		7,807			.0	286	05/01/2017	1
3138A2-BV-0	FNMA Pool AH0951 4.500% 12/01/40		09/01/2012	Paydown		24,970	24,970	26,059	26,047		(1,076)		(1,076)		24,970			.0	755	12/01/2040	1
31390D-SV-7	FNMA Pool 643232 6.000% 06/01/32		09/01/2012	Paydown		25	25	25	25				.0		25			.0	1	06/01/2032	1
31390E-JA-1	FNMA Pool 643857 6.000% 05/01/32		09/01/2012	Paydown		637	637	638	637				.0		637			.0	28	05/01/2032	1
31390F-MJ-5	FNMA Pool 644861 6.000% 06/01/32		09/01/2012	Paydown		74	74	74	74				.0		74			.0	3	06/01/2032	1
31390G-B5-5	FNMA Pool 645460 6.500% 05/01/32		09/01/2012	Paydown		13,386	13,386	14,104	14,031		(645)		(645)		13,386			.0	623	05/01/2032	1
31390J-RR-4	FNMA Pool 647696 6.500% 05/01/17		09/01/2012	Paydown		5,222	5,222	5,520	5,389		(167)		(167)		5,222			.0	226	05/01/2017	1
31390K-H9-2	FNMA Pool 648356 6.500% 06/01/17		09/01/2012	Paydown		394	394	416	404		(10)		(10)		394			.0	17	06/01/2017	1
31390M-KB-9	FNMA Pool 650190 6.500% 09/01/17		09/01/2012	Paydown		1,229	1,229	1,289	1,252		(23)		(23)		1,229			.0	53	09/01/2017	1
31392C-T6-1	Fannie Mae Series 2002-W3 Class A4 6.5		09/01/2012	Paydown		7,522	7,522	7,433	7,452		71		71		7,522			.0	320	11/25/2041	1
31393B-BN-4	Fannie Mae Series 2003-36 Class OG 5.5		09/01/2012	Paydown		139,854	139,854	142,564	139,633		221		221		139,854			.0	5,164	12/25/2031	1
31393B-HP-3	Fannie Mae Series 2003-33 Class PT 4.5		09/01/2012	Paydown		1,080	1,080	1,089	1,088		(7)		(7)		1,080			.0	31	05/25/2033	1
31393R-ZN-3	Freddie Mac Series 2627 Class BG 3.250		09/01/2012	Paydown		5,273	5,273	5,059	5,217		56		56		5,273			.0	115	06/15/2017	1
31393X-FS-1	Fannie Mae Series 2004-T1 Class 1A1 6		09/01/2012	Paydown		3,689	3,689	3,868	3,807		(118)		(118)		3,689			.0	148	01/25/2044	1

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										11	12	13	14	15							
CUSIP Identifi- cation	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Design- ation or Market Indicator (a)
31394K-MW-1...	Freddie Mac Series 2686 Class JH 5.500%		09/01/2012	Paydown.....		74,124	74,124	74,078	73,985		140		140	74,124				0	2,731	07/15/2032	1
31394Y-P4-0...	Freddie Mac Series 2802 Class NM 4.500%		09/01/2012	Paydown.....		463,212	463,212	439,473	460,684		2,528		2,528	463,212				0	14,543	09/15/2029	1
31401J-B4-9...	FNMA Pool 709359 5.000%		09/01/2012	Paydown.....		5,092	5,092	5,222	5,172		(80)		(80)	5,092				0	166	07/01/2018	1
31402C-4F-6...	FNMA Pool 725422 5.000%		09/01/2012	Paydown.....		48,204	48,204	49,349	49,311		(1,106)		(1,106)	48,204				0	1,642	04/01/2034	1
31402D-J9-2...	FNMA Pool 725788 4.564%		09/01/2012	Paydown.....		2,561	2,561	2,527	2,545		16		16	2,561				0	81	01/01/2015	1
31402H-H3-8...	FNMA Pool 729350 5.000%		09/01/2012	Paydown.....		4,062	4,062	4,166	4,130		(68)		(68)	4,062				0	128	07/01/2018	1
31402K-BX-1...	FNMA Pool 730954 5.000%		09/01/2012	Paydown.....		18,267	18,267	17,402	17,441		826		826	18,267				0	583	08/01/2033	1
31402R-W2-1...	FNMA Pool 736065 5.000%		09/01/2012	Paydown.....		1,571	1,571	1,611	1,596		(25)		(25)	1,571				0	52	09/01/2018	1
31403C-6L-0...	FNMA Pool 745275 5.000%		09/01/2012	Paydown.....		76,857	76,857	79,164	79,137		(2,280)		(2,280)	76,857				0	2,567	02/01/2036	1
31403J-TN-6...	FNMA Pool 750357 6.000%		09/01/2012	Paydown.....		15,405	15,405	15,917	15,871		(466)		(466)	15,405				0	674	11/01/2033	1
31404Q-QW-2...	FNMA Pool 075469 6.500%		09/01/2012	Paydown.....		5,066	5,066	5,302	5,281		(216)		(216)	5,066				0	193	05/01/2034	1
31404Y-2P-2...	FNMA Pool 780282 6.500%		09/01/2012	Paydown.....		14,023	14,023	14,681	14,595		(572)		(572)	14,023				0	644	07/01/2034	1
31404W-MB-9...	FNMA Pool 780754 5.500%		09/01/2012	Paydown.....		29,333	29,333	28,976	28,990		343		343	29,333				0	1,204	06/01/2034	1
31405S-ET-7...	FNMA Pool 797646 6.000%		09/01/2012	Paydown.....		8,526	8,526	8,739	8,729		(202)		(202)	8,526				0	302	09/01/2035	1
31405S-KJ-2...	FNMA Pool 797797 6.000%		09/01/2012	Paydown.....		55,215	55,215	56,941	56,842		(1,627)		(1,627)	55,215				0	2,203	04/01/2035	1
31406Y-Y7-9...	FNMA Pool 824334 5.500%		09/01/2012	Paydown.....		92,282	92,282	92,960	92,919		(637)		(637)	92,282				0	3,356	07/01/2035	1
31407H-KS-4...	FNMA Pool 831105 5.500%		09/01/2012	Paydown.....		56,212	56,212	56,560	56,541		(330)		(330)	56,212				0	2,081	11/01/2035	1
31407J-KY-7...	FNMA Pool 832011 5.000%		09/01/2012	Paydown.....		18,980	18,980	18,703	18,713		267		267	18,980				0	606	08/01/2035	1
31407N-BB-8...	FNMA Pool 835334 5.000%		09/01/2012	Paydown.....		1,490	1,490	1,469	1,469		21		21	1,490				0	54	08/01/2035	1
31407N-XP-3...	FNMA Pool 835986 5.000%		09/01/2012	Paydown.....		25,859	25,859	25,481	25,495		364		364	25,859				0	899	08/01/2035	1
31407R-O4-9...	FNMA Pool 838475 5.000%		09/01/2012	Paydown.....		30,140	30,140	28,718	28,766		1,374		1,374	30,140				0	1,043	09/01/2035	1
31407S-EE-8...	FNMA Pool 839033 5.000%		09/01/2012	Paydown.....		54,082	54,082	51,746	51,852		2,230		2,230	54,082				0	1,790	11/01/2035	1
31407W-VP-5...	FNMA Pool 843122 5.000%		09/01/2012	Paydown.....		16,224	16,224	15,523	15,546		678		678	16,224				0	543	11/01/2035	1
31408B-U5-5...	FNMA Pool 846704 6.000%		09/01/2012	Paydown.....		9,168	9,168	9,307	9,300		(131)		(131)	9,168				0	379	01/01/2036	1
31409K-QP-5...	FNMA Pool 873562 5.495%		09/01/2012	Paydown.....		841	841	828	832		9		9	841				0	31	04/01/2016	1
31410G-AF-0...	FNMA Pool 888406 5.000%		09/01/2012	Paydown.....		18,772	18,772	17,845	17,875		897		897	18,772				0	624	08/01/2036	1
31410G-E4-1...	FNMA Pool 888555 5.500%		09/01/2012	Paydown.....		22,525	22,525	22,666	22,633		(108)		(108)	22,525				0	817	09/01/2021	1
31412D-SQ-2...	FNMA Pool 922227 6.500%		09/01/2012	Paydown.....		21,787	21,787	22,849	22,826		(1,040)		(1,040)	21,787				0	948	12/01/2036	1
31412P-U8-2...	FNMA Pool 931307 4.500%		09/01/2012	Paydown.....		100,707	100,707	104,562	104,473		(3,766)		(3,766)	100,707				0	3,023	06/01/2039	1
31412Q-7B-9...	FNMA Pool 932490 4.500%		09/01/2012	Paydown.....		57,351	57,351	60,057	59,989		(2,639)		(2,639)	57,351				0	1,750	02/01/2040	1
31413J-UL-6...	FNMA Pool 947087 6.000%		09/01/2012	Paydown.....		7,750	7,750	7,824	7,820		(71)		(71)	7,750				0	318	10/01/2037	1
31413T-JT-0...	FNMA Pool 954874 6.000%		09/01/2012	Paydown.....		37,937	37,937	39,028	39,001		(1,064)		(1,064)	37,937				0	1,483	11/01/2037	1
31413V-QU-4...	FNMA Pool 956867 5.000%		09/01/2012	Paydown.....		140,642	140,642	137,451	137,530		3,112		3,112	140,642				0	5,264	03/01/2038	1

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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	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31414L-4Z-8...	FNMA Pool 969840 5.000% 03/01/38		09/01/2012	Paydown		13,736	13,736	13,510	13,515		221		221		13,736			.0	.509	03/01/2038	1
31414S-Y6-4...	FNMA Pool 975133 6.000% 05/01/38		09/01/2012	Paydown		139,146	139,146	140,679	140,621	(1,474)			(1,474)		139,146			.0	5,271	05/01/2038	1
31415B-WJ-4...	FNMA Pool 982249 5.000% 05/01/38		09/01/2012	Paydown		2,254	2,254	2,159	2,162	92			92		2,254			.0	.75	05/01/2038	1
31415R-ZU-1...	FNMA Pool 987355 6.500% 10/01/38		09/01/2012	Paydown		59,441	59,441	60,678	60,640	(1,200)			(1,200)		59,441			.0	2,807	10/01/2038	1
31415T-HT-0...	FNMA Pool 988642 5.000% 08/01/38		09/01/2012	Paydown		39,351	39,351	38,398	38,425	927			927		39,351			.0	1,313	08/01/2038	1
31416C-HP-4...	FNMA Pool 995838 5.500% 05/01/39		09/01/2012	Paydown		111,383	111,383	121,390	121,209	(9,826)			(9,826)		111,383			.0	4,106	05/01/2039	1
31416L-HY-5...	FNMA Pool AA2946 4.500% 04/01/24		09/01/2012	Paydown		26,906	26,906	27,819	27,722	(815)			(815)		26,906			.0	.791	04/01/2024	1
31416R-RG-0...	FNMA Pool AA7686 4.500% 06/01/39		09/01/2012	Paydown		53,471	53,471	55,568	55,513	(2,042)			(2,042)		53,471			.0	1,610	06/01/2039	1
31416X-QT-0...	FNMA Pool AB2265 4.000% 02/01/41		09/01/2012	Paydown		16,446	16,446	17,119	17,114	(668)			(668)		16,446			.0	.442	02/01/2041	1
31417A-VT-3...	FNMA Pool AB4225 3.500% 01/01/42		09/01/2012	Paydown		33,775	33,775	34,804		(1,029)			(1,029)		33,775			.0	.707	01/01/2042	1
31417Y-HM-2...	FNMA Pool MA0235 4.000% 11/01/19		09/01/2012	Paydown		19,691	19,691	20,297	20,224	(533)			(533)		19,691			.0	.525	11/01/2019	1
31418M-KS-0...	FNMA Pool AD0304 6.000% 05/01/22		09/01/2012	Paydown		34,464	34,464	37,219	36,997	(2,532)			(2,532)		34,464			.0	1,383	05/01/2022	1
31418N-YK-0...	FNMA Pool AD1613 4.500% 02/01/25		09/01/2012	Paydown		25,486	25,486	26,449	26,396	(910)			(910)		25,486			.0	.778	02/01/2025	1
31418V-T5-1...	FNMA Pool AD7771 4.000% 07/01/25		09/01/2012	Paydown		27,158	27,158	28,452	28,400	(1,242)			(1,242)		27,158			.0	.733	07/01/2025	1
31418W-PP-9...	FNMA Pool AD8529 4.500% 06/01/40		07/11/2012	PIERPONT		423,809	392,586	410,252	409,921	216			216		410,137		13,672	13,672	10,845	08/01/2040	1
31418W-PP-9...	FNMA Pool AD8529 4.500% 06/01/40		07/01/2012	Paydown		12,444	12,444	13,004	12,993	(549)			(549)		12,444			.0	.327	08/01/2040	1
31419J-TQ-1...	FNMA Pool AE7758 3.500% 11/01/25		09/01/2012	Paydown		80,210	80,210	81,703	81,652	(1,442)			(1,442)		80,210			.0	1,893	11/01/2025	1
31419L-XR-9...	FNCL Pool AE9687 4.000% 11/01/40		09/01/2012	Paydown		14,371	14,371	14,578	14,572	(201)			(201)		14,371			.0	.378	11/01/2040	1
495289-A2-6...	King Cnty Wa Swr 5.000% 01/01/22		08/29/2012	William Blair & Company		614,145	500,000	593,455	591,299	(6,116)			(6,116)		585,182		28,963	28,963	22,847	01/01/2022	1FE
54627R-AA-8...	Louisiana LCL Govt Envrnmntl 1.110% 02		08/01/2012	Redemption	100.0000	56,077	56,077	56,069	56,074	.1			.1		56,075		.2	.2	.622	02/01/2014	1FE
745260-DW-9...	Puerto Rico Elec Pwr Auth Pwr 3.550% 0		07/01/2012	Maturity		135,000	135,000	137,645	135,206	(206)			(206)		135,000			.0	4,793	07/01/2012	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						6,134,091	5,940,072	6,143,452	4,774,130	0	(74,060)	0	(74,060)	0	6,080,164	0	53,926	53,926	185,793	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
03061L-AC-7...	Americredit Automobile Rec Series 2010-A		09/06/2012	Paydown		18,331	18,331	18,329	18,330	.1			.1		18,331			.0	.428	07/06/2017	1FE
05377R-AB-0...	Aesop Funding II LLC Series 2009-1A Clas		09/20/2012	Paydown		50,000	50,000	54,586	52,045	(2,045)			(2,045)		50,000			.0	3,103	10/20/2013	1FE
05568B-AA-6...	BurlingtN No Ser 06-1 5.720% 01/15/24		07/15/2012	Redemption	100.0000	.82	.82	.82	.82	.0			.0		.82			.0	.5	01/15/2024	1FE
05947U-HN-1...	Banc Of America Commercial Mor Series 20		07/01/2012	Paydown		70,092	70,092	73,471	70,988	(896)			(896)		70,092			.0	2,155	07/11/2043	1FM
05949A-SA-4...	Banc Of America Mortgage Secur Series 20		09/01/2012	Paydown		35,543	35,543	36,187	32,970	2,921	(347)		2,574		35,543			.0	1,367	05/25/2035	3FM
05949C-HQ-2...	Banc Of America Mortgage Secur Series 20		09/01/2012	Paydown		2,853	2,853	2,506	2,506	347			347		2,853			.0	.51	10/25/2035	1FM
05949C-KQ-8...	Banc Of America Mortgage Secur Series 20		09/01/2012	Paydown		1,697	1,697	1,465	1,465	232			232		1,697			.0	.30	11/25/2035	1FM
07383F-PW-2...	Bear Stearns Commercial Mortga Series 20		09/01/2012	Paydown		69,680	69,680	68,842	69,514	166			166		69,680			.0	2,139	08/15/2038	1FM
07383F-XN-3...	Bear Stearns Commercial Mortga Series 20		09/01/2012	Paydown		14,083	14,083	13,975	14,045	.37			.37		14,083			.0	.497	08/13/2039	1FM
07387A-AW-5...	Bear Stearns Adjustable Rate M Series 20		09/01/2012	Paydown		3,424	3,424	2,936	2,936	488			488		3,424			.0	.65	06/25/2035	1FM

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										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
124857-AG-8...	CBS Corp 3.375% 03/01/22...		07/23/2012	Nomura Securities Int Inc.		284,807	275,000	272,511			.84		.84		272,595		12,211	12,211	3,713	03/01/2022	2FE
1248MG-AP-9...	Credit-Based Asset Servicing A Series 20...		09/01/2012	Paydown		2,474	2,474	1,550	.918	.632	.924		1,556		2,474			.0	.53	01/25/2037	1FM
12544L-AA-9...	Countrywide Home Loans Series 2007-11 Cl...		09/01/2012	Paydown		25,327	32,957	29,103	26,886	2,217	(3,776)		(1,559)		25,327			.0	1,321	08/25/2037	4FM
126659-AA-9...	CVS Pass-Through Trust 144A 8.353% 07/...		09/10/2012	Redemption 100.0000		2,712	2,712	2,712	2,712				.0		2,712			.0	.151	07/10/2031	2FE
126683-AB-7...	Countrywide Asset-Backed Certi Series 20...		09/01/2012	Paydown		18,836	18,966	13,253	14,763		4,073		4,073		18,836			.0	.677	06/25/2035	1FM
12668X-AC-9...	Countrywide Asset-Backed Certi Series 20...		09/01/2012	Paydown		10,097	10,097	7,378	6,625	.690	2,782		3,472		10,097			.0	.371	04/25/2036	3FM
12669G-HY-0...	Countrywide Home Loans Series 2004-29 Cl...		09/25/2012	Paydown		.98	.98	.98	.98				.0		.98			.0	.1	02/25/2035	1FM
15200N-AA-3...	Centerpoint Energy Transition Series 200...		08/15/2012	Paydown		12,011	12,011	12,011	12,011				.0		12,011			.0	.220	02/15/2016	1FE
161137-AU-8...	Charming Shoppes Master Trust Series 200...		09/15/2012	Paydown		225,000	225,000	224,946	224,992		.8		.8		225,000			.0	9,225	09/15/2017	1FE
172973-TL-3...	Citicorp Mortgage Securities Series 2003...		09/01/2012	Paydown		11,995	11,995	11,892	11,919		.76		.76		11,995			.0	.339	11/25/2018	1FM
173076-6K-9...	Citigroup Mortgage Loan Trust Series 200...		09/01/2012	Paydown		4,033	5,145	4,165	3,573	.592	(131)		.461		4,033			.0	.99	03/25/2036	1FM
17310B-AY-0...	Citicorp Mortgage Securities Series 2006...		09/01/2012	Paydown		53,600	53,600	51,247	51,841		1,759		1,759		53,600			.0	1,802	06/25/2036	1FM
201730-AD-0...	Commercial Mortgage Asset Trus Series 19...		09/11/2012	Paydown		296,992	296,992	323,605	307,688		(10,696)		(10,696)		296,992			.0	15,201	01/17/2032	1FM
225410-DJ-8...	CS First Boston Mortgage Secur Series 20...		09/01/2012	Paydown		78,998	78,998	77,934	79,408		(410)		(410)		78,998			.0	1,934	05/15/2038	1FM
225410-SF-0...	CS First Boston Mortgage Secur Series 20...		09/01/2012	Paydown		5,872	5,872	5,818	5,853		.18		.18		5,872			.0	.219	08/15/2036	1FM
225458-DK-1...	CS First Boston Mortgage Secur Series 20...		09/01/2012	Paydown		24,093	24,093	23,581	24,040		.52		.52		24,093			.0	.868	02/15/2038	1FM
225458-EZ-7...	CS First Boston Mortgage Secur Series 20...		09/01/2012	Paydown		3,987	3,987	3,804	3,054	.749	.184		.933		3,987			.0	.134	03/25/2035	3FM
25459H-BF-1...	Direct TV Holdings 3.800% 03/15/22...		07/23/2012	Citigroup Global Mkts Inc.		749,341	715,000	714,705			.25		.25		714,730		34,611	34,611	10,415	03/15/2022	2FE
32051G-DA-0...	First Horizon Alternative Mort Series 20...		09/01/2012	Paydown		7,183	7,183	5,944	5,980		1,203		1,203		7,183			.0	.276	01/25/2035	1FM
32051G-RD-9...	First Horizon Alternative Mort Series 20...		09/01/2012	Paydown		36,764	36,764	36,305	30,107	.6,208	.450		6,658		36,764			.0	1,387	08/25/2035	1FM
337367-AE-6...	First Union-Lehman Brothers Series 1998...		09/01/2012	Paydown		173,477	173,477	191,653	174,982		(1,505)		(1,505)		173,477			.0	8,373	11/18/2035	1FM
34529C-AC-8...	Ford Credit Auto Lease Trust Series 2010...		09/15/2012	Paydown		116,057	116,057	116,047	116,053		.4		.4		116,057			.0	.667	07/15/2013	1FE
36159J-BM-2...	GE Capital Credit Card Master Series 200...		07/15/2012	Paydown		225,000	225,000	233,561	227,177		(2,177)		(2,177)		225,000			.0	4,843	07/15/2015	1FE
36161R-AD-1...	General Electric Capital Assur Series 20...		09/01/2012	Paydown		23,629	23,629	24,117	23,840		(211)		(211)		23,629			.0	.920	05/12/2035	1FM
36170U-AB-7...	G-Force LLC Series 2005-RRA Class A2 4...		09/01/2012	Paydown		11,341	11,341	10,547	11,128		.213		.213		11,341			.0	.366	08/22/2036	4AM
362341-4F-3...	GSR Mortgage Loan Trust Series 2006-AR1...		09/01/2012	Paydown		4,609	4,609	4,253	4,252		.357		.357		4,609			.0	.148	01/25/2036	1FM
36242D-H5-5...	GSR Mortgage Loan Trust Series 2005-AR2...		09/01/2012	Paydown		.755	.755	.757	.756		(1)		(1)		.755			.0	.15	04/25/2035	1FM
368280-BR-6...	Ge Capital Commercial Mortgage Series 20...		09/01/2012	Paydown		27,102	27,102	28,864	27,821		(719)		(719)		27,102			.0	.837	07/10/2037	1FM
38143Y-AC-7...	Goldman Sachs Group Inc 6.450% 05/01/3...		09/13/2012	Goldman Sachs & Co.		817,648	800,000	832,520	830,290		(398)		(398)		829,892		(12,244)	(12,244)	45,437	05/01/2036	2FE
43812K-AC-7...	Honda Auto Receivables Owner T Series 20...		09/18/2012	Paydown		50,237	50,237	50,231	50,235		.2		.2		50,237			.0	.447	03/18/2014	1FE
45254N-ML-8...	Impac CMB Trust Series 2005-1 Class 1A1...		09/25/2012	Paydown		.344	.344	.344	.344				.0		.344			.0	.2	04/25/2035	1FM
46625M-VR-7...	JP Morgan Chase Commercial Series 2003-M...		09/01/2012	Paydown		31,032	31,032	32,630	31,802		(770)		(770)		31,032			.0	1,069	03/12/2039	1FM
55265K-XT-1...	Mastr Asset Securitization Tru Series 20...		09/01/2012	Paydown		16,295	16,295	15,643	15,658		.637		.637		16,295			.0	.639	06/25/2033	1FM

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										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Design- ation or Market Indicator (a)
59020U-QD-0...	MLCC Mortgage Investors Inc Series 2005-		09/01/2012	Paydown.....		4,409	4,409	4,339	4,347	.62			.62		4,409			.0	.77	12/25/2034	1FM
590219-AE-1...	MLCC Mortgage Investors Inc. Series 2006		09/01/2012	Paydown.....		3,177	3,177	3,039	3,045	.132			.132		3,177			.0	.48	05/25/2036	1FM
61746W-H2-9...	Morgan Stanley Dean Witter Cap Series 20		09/01/2012	Paydown.....		18,578	18,578	19,794	19,188	(.610)			(.610)		18,578			.0	.627	06/13/2041	1FM
61913P-AP-7...	Mortgageit Trust Series 2005-1 Class 1A1		09/25/2012	Paydown.....		.411	.411	.411	.411				.0		.411			.0	.1	02/25/2035	1FM
61913P-AR-3...	Mortgageit Trust Series 2005-1 Class 2A		09/01/2012	Paydown.....		6,425	6,425	6,320	6,336	.89			.89		6,425			.0	.66	02/25/2035	1FM
61980A-AA-1...	Motiva Enterprises Llc 144A 5.200% 09/		09/15/2012	Maturity.....		120,000	120,000	119,623	119,967	.33			.33		120,000			.0	6,240	09/15/2012	1FE
655356-JG-9...	Nomura Asset Securities Corp Series 1998		09/11/2012	Paydown.....		15,347	15,347	16,210	15,613	(.266)			(.266)		15,347			.0	.627	03/15/2030	1FM
655356-JK-0...	Nomura Asset Securities Corp Series 1998		09/11/2012	Paydown.....		221,002	221,002	239,097	232,422	(11,419)			(11,419)		221,002			.0	11,952	03/15/2030	1FM
674135-BD-9...	Oakwood Mortgage Investors Inc Series 19		09/01/2012	Paydown.....		13,837	13,837	14,634	14,465	(.627)			(.627)		13,837			.0	.735	10/15/2026	1FE
74958T-AB-9...	Residential Funding Mtg Sec. I Series 200		09/01/2012	Paydown.....		5,594	8,242	6,417	5,196	1,221	(.823)		.398		5,594			.0	.266	07/27/2037	5FM
74958W-AB-2...	Residential Funding Mtg Sec. I Series 200		09/01/2012	Paydown.....		.733	4,187	3,438	2,603	.832	(2,702)		(1,870)		.733			.0	.85	02/25/2037	1FM
76110V-MH-8...	Residential Funding Mortgage S Series 20		09/01/2012	Paydown.....		8,998	8,998	9,085	9,018	(20)			(20)		8,998			.0	.344	04/25/2028	1FM
76110W-QR-0...	Residential Asset Securities C Series 20		09/01/2012	Paydown.....		14,469	14,469	13,882	14,013	.455			.455		14,469			.0	.380	04/25/2033	1FM
78473W-AC-7...	Suntrust Adjustable Rate Mortg Series 20		09/01/2012	Paydown.....		3,197	3,197	2,843	2,306	.537	.354		.891		3,197			.0	.114	10/25/2037	5FM
80282D-AC-6...	Santander Drive Auto Receivabl Series 20		09/15/2012	Paydown.....		35,112	35,112	35,111	35,111	.1			.1		35,112			.0	.431	11/17/2014	1FE
81744F-FJ-1...	Sequoia Mortgage Trust Series 2004-11 Cl		09/20/2012	Paydown.....		.406	.406	.406	.406				.0		.406			.0	.2	12/20/2034	1FM
81744F-FY-8...	Sequoia Mortgage Trust Series 2004-12 Cl		09/20/2012	Paydown.....		.188	.188	.188	.143	.45			.45		.188			.0	.1	01/20/2035	1FM
85171U-AA-5...	Springleaf Mortgage Loan Series 2011-1A		09/01/2012	Paydown.....		35,568	35,568	35,539	35,543	.25			.25		35,568			.0	.943	01/25/2058	1FM
86359A-MH-3...	Structured Asset Securities Co Series 20		09/01/2012	Paydown.....		10,362	10,362	9,041	9,346	1,017			1,017		10,362			.0	.232	04/25/2031	1FM
86359A-WU-3...	Structured Asset Securities Co Series 20		09/01/2012	Paydown.....		10,130	10,130	8,705	9,025	1,105			1,105		10,130			.0	.222	01/25/2031	1AM
86359B-AA-3...	Structured Asset Securities Co Series 20		09/01/2012	Paydown.....		15,030	15,030	15,448	15,256	(.225)			(.225)		15,030			.0	.533	09/25/2019	1FM
89655V-AA-0...	Trinity Rail Leasing LP Series 2003-1A C		09/12/2012	Paydown.....		3,267	3,267	3,267	3,244	.24			.24		3,267			.0	.138	10/12/2026	1FE
921796-LJ-5...	Vanderbilt Mortgage Finance Series 2001		09/01/2012	Paydown.....		39,572	39,572	42,515	32,936	9,072	(2,436)		6,636		39,572			.0	2,140	09/07/2031	2FE
921796-MP-0...	Vanderbilt Mortgage Finance Series 2002		09/01/2012	Paydown.....		20,883	20,883	21,215	21,106	(.223)			(.223)		20,883			.0	.902	08/07/2024	1FE
949767-AA-5...	Wells Fargo Mortgage Backed Se Series 20		09/01/2012	Paydown.....		19,321	19,321	18,588	18,683	.639			.639		19,321			.0	.584	11/25/2018	1FM
94981Y-AB-7...	Wells Fargo Mortgage Backed Se Series 20		09/01/2012	Paydown.....		2,859	2,859	2,869	2,353	.513	(.8)		.505		2,859			.0	.49	01/25/2035	1FM
949834-AA-3...	Wells Fargo Mortgage Backed Se Series 20		09/01/2012	Paydown.....		20,413	20,413	20,178	18,803	1,374	.235		1,609		20,413			.0	.820	10/25/2037	4FM
94983B-AH-2...	Wells Fargo Mortgage Backed Se Series 20		09/01/2012	Paydown.....		24,195	24,195	24,286	24,165	.30			.30		24,195			.0	.924	04/25/2036	2FM
94983R-AD-6...	Wells Fargo Mortgage Backed Se Series 20		09/01/2012	Paydown.....		3,816	4,595	3,879	3,879	(.63)			(.63)		3,816			.0	.81	04/25/2036	1FM
94984G-AD-9...	Wells Fargo Mortgage Backed Se Series 20		09/01/2012	Paydown.....		11,743	11,743	10,551	10,543	1,200			1,200		11,743			.0	.449	09/25/2036	1FM
94986F-AF-4...	Wells Fargo Mortgage Backed Se Series 20		09/01/2012	Paydown.....		5,283	5,283	4,998	5,121	.163			.163		5,283			.0	.218	09/25/2037	4FM
65535H-AB-5...	Nomura Holdings Inc 6.700% 03/04/20	F	08/16/2012	Various.....		74,497	65,000	64,864	64,883	.7			.7		64,890		9,607	.9,607	4,096	03/04/2020	2FE
88166C-AA-6...	Teva Pharma Fin 06/15/15	F	08/23/2012	Credit Suisse 1st Boston		466,369	440,000	444,571	443,647	(.671)			(.671)		442,976		23,393	23,393	9,277	06/15/2015	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						4,852,722	4,770,813	4,861,459	3,794,810	27,603	(24,482)	0	3,121	0	4,785,143	0	67,578	67,578	165,613	XXX	XXX

E05.7

E05.7

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Schedule DB - Part A - Section 1
NONE

Schedule DB - Part B - Section 1
NONE

Schedule DB - Part D
NONE

Schedule DL - Part 1
NONE

Schedule DL - Part 2
NONE

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE BCS Insurance Company

SCHEDULE E - PART 1 - CASH

[illegible]

Schedule E - Part 2

NONE

Supp "A" to T - Physicians

NONE

Supp "A" to T - Hospitals

NONE



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2012 OF THE BCS Insurance Company

Designate the type of health care providers reported on this page.
Other Health Care Professionals

SUPPLEMENT “A” TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

States, Etc.		1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
				3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama	AL								
2. Alaska	AK								
3. Arizona	AZ								
4. Arkansas	AR								
5. California	CA								
6. Colorado	CO								
7. Connecticut	CT								
8. Delaware	DE								
9. District of Columbia	DC								
10. Florida	FL								
11. Georgia	GA								
12. Hawaii	HI								
13. Idaho	ID								
14. Illinois	IL								
15. Indiana	IN								
16. Iowa	IA								
17. Kansas	KS								
18. Kentucky	KY								
19. Louisiana	LA								
20. Maine	ME								
21. Maryland	MD					(14,890)			69,049
22. Massachusetts	MA								
23. Michigan	MI								
24. Minnesota	MN								
25. Mississippi	MS								
26. Missouri	MO								
27. Montana	MT								
28. Nebraska	NE								
29. Nevada	NV								
30. New Hampshire	NH								
31. New Jersey	NJ								
32. New Mexico	NM								
33. New York	NY								
34. North Carolina	NC								
35. North Dakota	ND								
36. Ohio	OH								
37. Oklahoma	OK								
38. Oregon	OR								
39. Pennsylvania	PA	168,484	262,523			28,268			497,697
40. Rhode Island	RI								
41. South Carolina	SC								
42. South Dakota	SD								
43. Tennessee	TN								
44. Texas	TX								
45. Utah	UT								
46. Vermont	VT								
47. Virginia	VA								
48. Washington	WA								
49. West Virginia	WV								
50. Wisconsin	WI								
51. Wyoming	WY								
52. American Samoa	AS								
53. Guam	GU								
54. Puerto Rico	PR								
55. U.S. Virgin Islands	VI								
56. Northern Mariana Islands	MP								
57. Canada	CN								
58. Aggregate other alien	OT	0	0	0	0	0	0	0	0
59. Totals		168,484	262,523	0	0	13,378	0	0	566,746
DETAILS OF WRITE-INS									
5801.									
5802.									
5803.									
5898.	Sum. of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2012 OF THE BCS Insurance Company

Designate the type of health care providers reported on this page.
Other Health Care Facilities

SUPPLEMENT “A” TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

States, Etc.		1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
				3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama	AL								
2. Alaska	AK								
3. Arizona	AZ								
4. Arkansas	AR								
5. California	CA								
6. Colorado	CO								
7. Connecticut	CT								
8. Delaware	DE								
9. District of Columbia	DC								
10. Florida	FL								
11. Georgia	GA								
12. Hawaii	HI								
13. Idaho	ID								
14. Illinois	IL								
15. Indiana	IN								
16. Iowa	IA								
17. Kansas	KS								
18. Kentucky	KY								
19. Louisiana	LA								
20. Maine	ME								
21. Maryland	MD								
22. Massachusetts	MA								
23. Michigan	MI								
24. Minnesota	MN								
25. Mississippi	MS								
26. Missouri	MO								
27. Montana	MT								
28. Nebraska	NE								
29. Nevada	NV								
30. New Hampshire	NH								
31. New Jersey	NJ								
32. New Mexico	NM								
33. New York	NY								
34. North Carolina	NC								
35. North Dakota	ND								
36. Ohio	OH								
37. Oklahoma	OK								
38. Oregon	OR								
39. Pennsylvania	PA								
40. Rhode Island	RI								
41. South Carolina	SC								
42. South Dakota	SD								
43. Tennessee	TN								
44. Texas	TX								
45. Utah	UT								
46. Vermont	VT								
47. Virginia	VA								
48. Washington	WA								
49. West Virginia	WV								
50. Wisconsin	WI								
51. Wyoming	WY								
52. American Samoa	AS								
53. Guam	GU								
54. Puerto Rico	PR								
55. U.S. Virgin Islands	VI								
56. Northern Mariana Islands	MP								
57. Canada	CN								
58. Aggregate other alien	OT	0	0	0	0	0	0	0	0
59. Totals		0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
5801.									
5802.									
5803.									
5898.	Sum. of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2012 OF THE BCS Insurance Company

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

NAIC Group Code00023

Year To Date For The Period Ended 2012

NAIC Company Code38245

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$12,428,075	\$9,820,536	\$3,688,518

2. Commercial Multiple Peril (CMP) Packaged Policies

- 2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy?Yes [] No [X]
- 2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated?Yes [] No [X]
- 2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified:\$0

2.32 Amount estimated using reasonable assumptions:\$0

- 2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies.\$0