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QUARTERLY STATEMENT
AS OF September 30, 2012
OF THE CONDITION AND AFFAIRS OF THE
AultCare Insurance Company

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	77216	Employer's ID Number	341624818
Organized under the Laws of		Ohio	State of Domicile or Port of Entry		Ohio	
Country of Domicile						
Licensed as business type:		Life, Accident & Health[X]	Property/Casualty[]	Hospital, Medical & Dental Service or Indemnity[]		
		Dental Service Corporation[]	Vision Service Corporation[]	Health Maintenance Organization[]		
		Other[]	Is HMO Federally Qualified? Yes[X] No[] N/A[]			
Incorporated/Organized		08/15/1989	Commenced Business		11/01/1989	
Statutory Home Office		2600 Sixth Street SW (Street and Number)			Canton, OH 44710 (City, or Town, State and Zip Code)	
Main Administrative Office		2600 Sixth Street SW (Street and Number)			Canton, OH 44710 (City or Town, State and Zip Code)	
		2600 Sixth Street SW (Street and Number)			(330)363-4057 (Area Code) (Telephone Number)	
Mail Address		2600 Sixth Street SW (Street and Number or P.O. Box)			Canton, OH 44710 (City, or Town, State and Zip Code)	
Primary Location of Books and Records		2600 Sixth Street SW (Street and Number)			Canton, OH 44710 (City, or Town, State and Zip Code)	
		2600 Sixth Street SW (Street and Number)			(330)363-4057 (Area Code) (Telephone Number)	
Internet Web Site Address		www.aultcare.com				
Statutory Statement Contact		Jeffrey Alan Scheatzle (Name)			(330)363-4057 (Area Code)(Telephone Number)(Extension)	
		jscheatzle@aultman.com (E-Mail Address)			(330)363-5012 (Fax Number)	

OFFICERS

Name	Title
Rick L. Haines	President
William Wallace M.D.	Secretary
Mark D. Wright	Treasurer
Edward J. Roth III	Executive Vice President

OTHERS

DIRECTORS OR TRUSTEES

William Wallace M.D.	Gregory A. Haban M.D.
Christopher E. Remark	Edward J. Roth III
Rick L. Haines	Michael A. Rich M.D.
Mark D. Wright	John B. Humphrey Jr., M.D.
Timothy L. Hagen D.O.	Darryl J. Dillenback
Allen Rovner M.D.	

State of Ohio
 County of Stark ss

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

(Signature)
 Rick L. Haines
 (Printed Name)
 1.
 President
 (Title)

(Signature)
 William Wallace
 (Printed Name)
 2.
 Secretary
 (Title)

(Signature)
 Mark D. Wright
 (Printed Name)
 3.
 Treasurer
 (Title)

Subscribed and sworn to before me this
 _____ day of _____, 2012

- a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

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	51,495,079		51,495,079	60,202,791
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	17,583,620		17,583,620	15,648,952
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....8,834,398), cash equivalents (\$.....0) and short-term investments (\$.....0)	8,834,398		8,834,398	10,761,167
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives				
8. Other invested assets	16,956,716		16,956,716	18,067,146
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	94,869,814		94,869,814	104,680,056
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	362,638		362,638	514,747
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,314,199		4,314,199	2,389,936
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	865,895		865,895	1,528,894
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	2,979,518		2,979,518	2,898,113
18.1 Current federal and foreign income tax recoverable and interest thereon	573,134		573,134	666,895
18.2 Net deferred tax asset	4,694,000		4,694,000	4,694,000
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustments in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$.....5,210,255) and other amounts receivable	5,396,006	169,754	5,226,252	4,761,234
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	114,055,202	169,754	113,885,448	122,133,875
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	114,055,202	169,754	113,885,448	122,133,875
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....999,200 reinsurance ceded)	30,865,617		30,865,617	39,774,317
2. Accrued medical incentive pool and bonus amounts	2,114,910		2,114,910	2,693,514
3. Unpaid claims adjustment expenses	553,100		553,100	730,200
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	11,000,000		11,000,000	11,000,000
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	3,625,117		3,625,117	2,695,899
9. General expenses due or accrued	4,993,402		4,993,402	3,911,874
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable	1,163,961		1,163,961	977,865
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
20. Reinsurance in unauthorized companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				2,914,110
23. Aggregate write-ins for other liabilities (including \$.....0 current)				
24. Total liabilities (Lines 1 to 23)	54,316,107		54,316,107	64,697,779
25. Aggregate write-ins for special surplus funds	XXX	XXX		
26. Common capital stock	XXX	XXX	1,000,000	1,000,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	48,875,734	48,875,734
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX		
31. Unassigned funds (surplus)	XXX	XXX	9,693,608	7,560,362
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$.....0)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	59,569,342	57,436,096
34. Total Liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	113,885,449	122,133,875
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31	
				3 Total	4 Total
	1 Uncovered	2 Total	3 Total		
1. Member Months	XXX	1,066,157	1,032,651	1,393,715	
2. Net premium income (including \$.....0 non-health premium income)	XXX	350,844,874	328,696,074	438,117,371	
3. Change in unearned premium reserves and reserves for rate credits	XXX				
4. Fee-for-service (net of \$.....0 medical expenses)	XXX				
5. Risk revenue	XXX				
6. Aggregate write-ins for other health care related revenues	XXX				
7. Aggregate write-ins for other non-health revenues	XXX				
8. Total revenues (Lines 2 to 7)	XXX	350,844,874	328,696,074	438,117,371	
Hospital and Medical:					
9. Hospital/medical benefits		223,259,351	211,138,519	287,083,638	
10. Other professional services					
11. Outside referrals		26,600,446	30,349,259	39,543,121	
12. Emergency room and out-of-area		6,469,673	5,901,889	7,947,538	
13. Prescription drugs		49,288,778	42,957,905	55,408,268	
14. Aggregate write-ins for other hospital and medical		7,856,978	4,773,381	7,527,752	
15. Incentive pool, withhold adjustments and bonus amounts		3,591,122	3,507,750	4,677,490	
16. Subtotal (Lines 9 to 15)		317,066,349	298,628,703	402,187,805	
Less:					
17. Net reinsurance recoveries		1,609,609	3,121,178	4,935,496	
18. Total hospital and medical (Lines 16 minus 17)		315,456,740	295,507,525	397,252,309	
19. Non-health claims (net)					
20. Claims adjustment expenses, including \$.....3,454,825 cost containment expenses		5,268,726	5,054,062	6,837,553	
21. General administrative expenses		30,758,190	28,276,354	38,119,722	
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)					
23. Total underwriting deductions (Lines 18 through 22)		351,483,656	328,837,941	442,209,584	
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(638,782)	(141,867)	(4,092,214)	
25. Net investment income earned		1,511,082	1,754,373	2,387,386	
26. Net realized capital gains (losses) less capital gains tax of \$.....0		(19,381)	(1,043)	(998,576)	
27. Net investment gains or (losses) (Lines 25 plus 26)		1,491,701	1,753,330	1,388,809	
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]					
29. Aggregate write-ins for other income or expenses					
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	852,919	1,611,463	(2,703,404)	
31. Federal and foreign income taxes incurred	XXX	289,993	547,897	407,580	
32. Net income (loss) (Lines 30 minus 31)	XXX	562,927	1,063,566	(3,110,984)	
DETAILS OF WRITE-INS					
0601.	XXX				
0602.	XXX				
0603.	XXX				
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX				
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX				
0701.	XXX				
0702.	XXX				
0703.	XXX				
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX				
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX				
1401. Reinsurance Claims		7,856,978	4,773,381	7,527,752	
1402.					
1403.					
1498. Summary of remaining write-ins for Line 14 from overflow page					
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		7,856,978	4,773,381	7,527,752	
2901.					
2902.					
2903.					
2998. Summary of remaining write-ins for Line 29 from overflow page					
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)					

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	57,436,096	59,574,566	59,574,566
34. Net income or (loss) from Line 32	562,927	1,063,566	(3,110,984)
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	1,716,187	(1,112,004)	(336,000)
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			1,192,131
39. Change in nonadmitted assets	231,563	(1,110,572)	116,383
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	2,510,677	(1,159,010)	(2,138,470)
49. Capital and surplus end of reporting period (Line 33 plus 48)	59,946,773	58,415,556	57,436,096
DETAILS OF WRITE-INS			
4701. 0			
4702. 0			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)			

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	350,035,925	342,987,124	436,788,023
2.	Net investment income	1,854,054	1,868,250	2,618,794
3.	Miscellaneous income			
4.	Total (Lines 1 to 3)	351,889,979	344,855,374	439,406,818
5.	Benefit and loss related payments	324,514,500	293,028,012	394,496,312
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	38,495,434	34,214,975	46,109,528
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	196,231	886,997	886,997
10.	Total (Lines 5 through 9)	363,206,165	328,129,985	441,492,837
11.	Net cash from operations (Line 4 minus Line 10)	(11,316,186)	16,725,389	(2,086,019)
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds	13,884,020	7,403,000	11,485,000
12.2	Stocks	680,979		
12.3	Mortgage loans			
12.4	Real estate			
12.5	Other invested assets	943,907		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7	Miscellaneous proceeds	0		996,238
12.8	Total investment proceeds (Lines 12.1 to 12.7)	15,508,906	7,403,000	12,481,238
13.	Cost of investments acquired (long-term only):			
13.1	Bonds	5,176,009	10,741,382	16,205,709
13.2	Stocks	943,480	273,395	447,309
13.3	Mortgage loans			
13.4	Real estate			
13.5	Other invested assets		1,496,404	3,601,021
13.6	Miscellaneous applications		0	996,238
13.7	Total investments acquired (Lines 13.1 to 13.6)	6,119,489	12,511,181	21,250,277
14.	Net increase (or decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	9,389,417	(5,108,181)	(8,769,039)
Cash from Financing and Miscellaneous Sources				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes			
16.2	Capital and paid in surplus, less treasury stock			
16.3	Borrowed funds			
16.4	Net deposits on deposit-type contracts and other insurance liabilities			
16.5	Dividends to stockholders			
16.6	Other cash provided (applied)			
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)			
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)	(1,926,769)	11,617,208	(10,855,059)
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year	10,761,167	21,616,226	21,616,226
19.2	End of period (Line 18 plus Line 19.1)	8,834,398	33,233,434	10,761,167

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	Cumulative effect of changes in accounting principles			
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	121,075	6,390	50,095	44		10,233	2,411	22,202		29,700
2. First Quarter	118,472	6,391	48,234	60		9,940	2,407	22,400		29,040
3. Second Quarter	118,123	6,499	47,534	77		10,057	2,398	22,449		29,109
4. Third Quarter	118,950	6,463	47,759	84		10,526	2,399	22,573		29,146
5. Current Year										
6. Current Year Member Months	1,066,157	58,026	431,241	633		91,484	21,880	201,862		261,031
Total Member Ambulatory Encounters for Period:										
7. Physician	300,828	16,575	142,483	70			10,487	131,213		
8. Non-Physician	958,420	41,176	375,642	272			27,948	513,382		
9. Total	1,259,248	57,751	518,125	342			38,435	644,595		
10. Hospital Patient Days Incurred	41,054	766	8,700	16			787	30,785		
11. Number of Inpatient Admissions	7,796	187	2,203	3			146	5,257		
12. Health Premiums Written (a)	358,788,943	13,087,439	130,295,138	114,082		2,019,955	10,871,008	193,356,354		9,044,966
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	358,788,943	13,087,439	130,295,138	114,082		2,019,955	10,871,008	193,356,354		9,044,966
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	324,944,044	9,509,631	117,920,283	69,742		1,464,649	4,127,629	180,341,098		11,511,012
18. Amount Incurred for Provision of Health Care Services	317,066,349	9,509,631	117,004,404	69,742		1,464,649	4,142,030	172,367,143		12,508,750

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$....195,227,855.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid
0299999 Aggregate Accounts Not Individually Listed - Uncovered
0399999 Aggregate Accounts Not Individually Listed - Covered
0499999 Subtotals
0599999 Unreported claims and other claim reserves	31,864,817
0699999 Total Amounts Withheld
0799999 Total Claims Unpaid	31,864,817
0899999 Accrued Medical Incentive Pool And Bonus Amounts	2,114,910

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	10,321,601	112,953,604		13,091,718	10,321,601	13,495,284
2. Medicare Supplement		69,742				
3. Dental only		1,464,649				
4. Vision only						
5. Federal Employees Health Benefits Plan	583,542	3,544,087		610,945	583,542	596,544
6. Title XVIII - Medicare	24,559,452	155,781,646		15,870,954	24,559,452	24,112,489
7. Title XIX - Medicaid						
8. Other health	1,491,500	10,019,512		1,292,000	1,491,500	1,570,000
9. Health subtotal (Lines 1 to 8)	36,956,095	283,833,240		30,865,617	36,956,095	39,774,317
10. Healthcare receivables (a)	2,835,561	(524,306)			2,835,561	2,295,238
11. Other non-health						
12. Medical incentive pools and bonus amounts	2,969,726	1,200,000	(276,213)	2,391,122	2,693,514	2,693,514
13. Totals (Lines 9 - 10 + 11 + 12)	37,090,261	285,557,545	(276,213)	33,256,739	36,814,048	40,172,593

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

Notes to Financial Statement

SECTION A

1. Summary of Significant Accounting Policies
 - A. The accompanying financial statements of AultCare Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. The Ohio Department of Insurance recognizes only statutory accounting prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. Effective January 12, 2012, the Company changed its corporate name from "McKinley Life Insurance Company" to "AultCare Insurance Company". This corporate name change is being made so that AultCare's corporate name will be the same as the "AultCare" trade name, which the company uses in the community. The name change does not reflect a change in ownership, management, or operations of the company, which will all remain the same. This corporate name change has been approved by the Ohio Secretary of State and Ohio Department of Insurance and is therefore legally effective at this time.
 - B. No Change.
 - C. Accounting Policy
 - (1) No Change.
 - (2) No Change.
 - (3) No Change.
 - (4) No Change.
 - (5) No Change.
 - (6) No Change.
 - (7) The Company has investments in subsidiaries and affiliates with a book adjusted carrying value totaling \$16,956,717. Of this amount, \$115,539 is invested in McKinley Life Agency, Ltd. \$8,074,596 is invested in AultCare Corporation. The remaining \$8,766,582 is invested in West Tuscarawas Property Management.
 - (8) No Change.
 - (9) No Change.
 - (10) No Change.
 - (11) No Change.
 - (12) No Change.
 - (13) No Change.
2. Accounting Changes and Corrections of Errors
 - A. The Company had no change in accounting principles and/or correction of errors in 2012.
3. Business Combinations and Goodwill
 - A. No Change.
 - B. No Change.
 - C. No Change.
 - D. No Change.
4. Discontinued Operations
 - A. No Change.
5. Investments
 - A. No Change.
 - B. No Change.
 - C. No Change.
 - D. No Change.
 - E. No Change.
 - F. The Company owns \$8,766,582 worth of shares in West Tuscarawas Property Management, an affiliate company.
 - G. No Change.
6. Joint Ventures, Partnerships and Limited Liability Companies
 - A. No Change.
 - B. No Change.
7. Investment Income
 - A. No Change.

Notes to Financial Statement

8. Derivative Instruments

A. No Change.

9. Income Taxes

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

1. (reported in thousands)		9/30/2012			9/30/2011			Change		
		(1) Ordinary	(2) Capital	(3) Col 1+2 Total	(4) Ordinary	(5) Capital	(6) Col 4+5 Total	(7) Col 1-4 Ordinary	(8) Col 2-5 Capital	(9) Col 7+8 Total
(a)	Gross Deferred Tax Assets	\$4,694	\$ -	\$4,694	\$3,502	\$ -	\$3,502	\$1,192	\$ -	\$1,192
(b)	Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c)	Adjusted Gross Deferred Tax Assets(1a-1b)	\$4,694	\$ -	\$4,694	\$3,502	\$ -	\$3,502	\$1,192	\$ -	\$1,192
(d)	Deferred Tax Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e)	Subtotal (Net Deferred Tax Assets) (1c-1d)	\$4,694	\$ -	\$4,694	\$3,502	\$ -	\$3,502	\$1,192	\$ -	\$1,192
(f)	Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(g)	Net Admitted Deferred Tax Assets (1e-1f)	\$4,694	\$ -	\$4,694	\$3,502	\$ -	\$3,502	\$1,192	\$ -	\$1,192

2. The application of paragraph 10.e SSAP No. 10R, Income Taxes has no effect on the admitted portion of the DTA, in either period.

4. (reported in thousands)		9/30/2012			9/30/2011			Change		
		(1) Ordinary	(2) Capital	(3) Col 1+2 Total	(4) Ordinary	(5) Capital	(6) Col 4+5 Total	(7) Col 1-4 Ordinary	(8) Col 2-5 Capital	(9) Col 7+8 Total
Admission Calculation Components SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.										
(a)	SSAP No. 10R, Paragraph 10.a.	\$4,694	\$ -	\$4,694	\$3,502	\$ -	\$3,502	\$1,192	\$ -	\$1,192
(b)	SSAP No. 10R, Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c)	SSAP No. 10R, Paragraph 10.b.i.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(d)	SSAP No. 10R, Paragraph 10.b.ii.	XXX	XXX	\$5,525	XXX	XXX	\$5,815	XXX	XXX	\$(290)
(e)	SSAP No. 10R, Paragraph 10.c.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(f)	Total (4a + 4b + 4e)	\$4,694	\$ -	\$4,694	\$3,502	\$ -	\$3,502	\$1,192	\$ -	\$1,192

5. The Company does not have any available prudent and feasible tax-planning strategies that would have an impact on the adjusted gross and net admitted DTAs.

Notes to Financial Statement

Cont. Cont. Note 9

6. (reported in thousands)		9/30/2012			9/30/2011			Change		
		(1) Ordinary	(2) Capital	(3) Col 1+2 Total	(4) Ordinary	(5) Capital	(6) Col 4+5 Total	(7) Col 1-4 Ordinary	(8) Col 2-5 Capital	(9) Col 7+8 Total
(a)	Admitted Deferred Tax Assets	\$4,694	\$ -	\$4,694	\$3,502	\$ -	\$3,502	\$1,192	\$ -	\$1,192
(b)	Admitted Assets	XXX	XXX	\$113,885	XXX	XXX	\$120,934	XXX	XXX	\$(7,049)
(c)	Adjusted Statutory Surplus	XXX	XXX	\$55,253	XXX	XXX	\$58,153	XXX	XXX	\$(2,901)
(d)	Total Adjusted Capital from DTAs	XXX	XXX	\$ -	XXX	XXX	\$ -	XXX	XXX	\$ -

B. Not Applicable

C. Income Taxes Incurred and changes in DTA's and DTL's

			(1) 9/30/2012	(2) 9/30/2011	(3) (Col 1-2) Change
1.	Current Income Tax				
(a)	Federal	\$289,993	\$606,000	\$ -	\$(316,007)
(b)	Foreign	\$ -	\$ -	\$ -	\$ -
2.	Deferred Tax Assets				
(a)	Ordinary				
(1)	Uncollected Premiums	\$77,787	\$77,787	\$ -	\$ -
(2)	Premiums Received in Advance	\$331,154	\$268,815	\$62,339	\$62,339
(3)	Claims Unpaid	\$228,056	\$227,875	\$181	\$181
(4)	Reserve for Return of Premium	\$3,740,000	\$2,541,062	\$1,198,938	\$1,198,938
(5)	Compensation Accrual	\$317,003	\$426,630	\$(109,627)	\$(109,627)
(6)	Other	\$ -	\$(40,300)	\$40,300	\$40,300
(7)	Subtotal	\$4,694,000	\$3,501,869	\$1,192,131	\$1,192,131
(b)	Statutory valuation allowance adjustment	\$ -	\$ -	\$ -	\$ -
(c)	Nonadmitted	\$ -	\$ -	\$ -	\$ -
(d)	Admitted ordinary deferred tax assets (2a6 - 2b-2c)	\$4,694,000	\$3,501,869	\$1,192,131	\$1,192,131
(e)	Capital				
(1)	Other	\$ -	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -	\$ -
(f)	Statutory valuation allowance adjustment	\$ -	\$ -	\$ -	\$ -
(g)	Nonadmitted	\$ -	\$ -	\$ -	\$ -
(h)	Admitted capital deferred tax assets (2e2 - 2f - 2g)	\$ -	\$ -	\$ -	\$ -
(i)	Admitted deferred tax assets (2d + 2h)	\$4,694,000	\$3,501,869	\$1,192,131	\$1,192,131
3.	Deferred Tax Liabilities				
(a)	Ordinary				
(1)	Other	\$ -	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -	\$ -
(b)	Capital				
(1)	Other	\$ -	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -	\$ -
(c)	Deferred tax liabilities (3a2 + 3b2)	\$ -	\$ -	\$ -	\$ -
4.	Net deferred tax assets/liabilities (2i - 3c)	\$4,694,000	\$3,501,869	\$1,192,131	\$1,192,131

Cont. Note 9

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

	9/30/2012	Effective Tax Rate
Provision computed at statutory rate	\$289,993	34%
Other - 2012 Deferred Tax Payments	\$ -	0%
Total	\$289,993	34%

E. Not Applicable.

F. Not Applicable.

10. Information Concerning Parent, Subsidiaries and Affiliates

A, B, C, The following transactions are all as of September 30, 2012; The Company has a capitation arrangement with Aultman Hospital and has paid \$26,101,921 in capitated claims for its commercial enrollees under the terms of the existing agreement. Effective May 1, 2012, the Company entered into a capitation arrangement with Aultman Hospital

Notes to Financial Statement

for their Medicare enrollees and has paid \$29,568,720 in capitated claims for its Medicare enrollees under the terms of the new agreement. The Company has paid a total of \$55,670,641 in capitated claims to Aultman Hospital for its enrollees. The Company has a management services agreement with Aultman Health Foundation, the parent and AultCare Corporation, an affiliate that allows various administrative, marketing, and claims processing services to be completed on behalf of the Company. The Company paid \$483,607 to Aultman Health Foundation for management services that was provided and incurred \$17,179,070 of expense from AultCare Corporation for management services. The Company has an operating lease for office space and paid \$523,942 to Aultman Health Foundation for rent.

- D. At September 30, 2012, the Company reported \$0 due from the parent company, Aultman Health Foundation. The Company has an intercompany revolving credit facility in place with AultCare Corporation, an affiliate that allows AultCare to borrow and repay operating funds. As of September 30, 2012, AultCare owes \$8,074,596 under the terms of the agreement. The Company also has capitation arrangement with the parent company for anticipation of future services. As of September 30, 2012, the Company has paid \$2,900,000 to Aultman Health Foundation for these future services.
- E. No Change.
- F. No Change.
- G. No Change.
- H. The Company has an investment in West Tuscarawas Property Management with an admitted asset value of \$8,766,582. The Company also had an investment in a subsidiary, McKinley Life Agency, Ltd. of \$115,539. Also, the Company had an investment in an affiliate, AultCare Corporation of \$8,074,596.
- I. No Change.
- J. The Company did not realize an impairment write down for its investment in West Tuscarawas Property Management during the statement period of 2012.
 - (1) No Change.
 - (2) No Change.
- K. No Change.
- L. No Change.

- 11. Debt
 - A. No Change.
- 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
 - A. No Change.
 - B. Contributions of 3% of each employee's compensation are made each year. The Company's contribution for the defined contribution plan was \$293,762 and \$367,093 for 2012 and 2011 respectively.
 - C – F No Change.
- 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
 - (1) No Change.
 - (2) No Change.
 - (3) No Change.
 - (4) The Company paid no dividends in 2012.
 - (5) No Change.
 - (6) No Change.
 - (7) No Change.
 - (8) No Change.
 - (9) No Change.
 - (10) No Change.
 - (11) No Change.
 - (12) No Change.
 - (13) No Change.
- 14. Contingencies
 - A. No Change.
 - B. No Change.
 - C. No Change.
 - D. No Change.
 - E. During 2008, the Company underwent a Medicare Risk Adjustment Validation ("RADV") audit by the Centers for Medicare and Medicaid Services on the Company's

Notes to Financial Statement

2006 Medicare Advantage data. Based on current available information obtained from the preliminary results of the Medicare RADV audit, the Company has established a reserve of \$11,000,000 as of September 30, 2012, which represents Management's best estimate of potential liability. Final audit results are pending Centers for Medicare & Medicaid Services review and pronouncement of findings.

15. **Leases**
- A. **Lessee Operating Lease**
- (1) The Company leases office space in buildings from Aultman Health Foundation through operating lease agreements that will expire through December 31, 2013. In 2012 and 2011 respectively, the company paid \$523,942 and \$679,559 to Aultman Health Foundation for rent expense. Certain rental commitments have renewal options extending through the year 2019. Some of these renewals are subject to adjustments in future periods.
- (2) At January 1, 2012, the minimum aggregate rental commitments are as follows:
- | Year Ending December 31 | Operating Leases |
|-------------------------|------------------|
| 1. 2012 | \$ 658,116 |
| 2. 2013 | \$ 658,116 |
- B. **No Change.**
16. **Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**
- A. **No Change.**
17. **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**
- A. **No Change.**
- B. **No Change.**
- C. **No Change.**
18. **Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans (N/A – Title)**
- A. **No Change.**
19. **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators (N/A – Title)**
- A. **No Change.**
20. **Fair Value Measurement**
- A. The Company has assets that are measured at fair value on a recurring basis.
- (1) **Fair Value Measurements at Reporting Date**
- | (1)
Description | (2)
(Level 1) | (3)
(Level 2) | (4)
(Level 3) | (5)
Total |
|----------------------------|------------------|------------------|------------------|--------------|
| a. Assets at fair value | | | | |
| Common Stock | \$ 17,583,620 | \$ - | \$ - | \$ - |
| Total assets at fair value | \$ 17,583,620 | \$ - | \$ - | \$ - |
- (2) **No Change.**
- (3) **No Change.**
21. **Other Items**
- A. **No Change.**
- B. **No Change.**
- C. **No Change.**
- D. At September 30, 2012 the Company had admitted assets of \$4,314,199 in accounts receivable and amounts due from agents. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
- E. **No Change.**
- F. **No Change.**
- G. **No Change.**
- H. On or about December 27, 2007, CSAHS/UHHS-Canton, Inc. d/b/a Mercy Medical Center ("Mercy"), a competitor of Aultman Hospital in Stark County, Ohio, filed an action in the Stark County Court of Common Pleas against Aultman Health Foundation, AultCare Corporation, Aultman Hospital, and AultCare Insurance Company (formerly McKinley Life Insurance Company) (collectively, "Defendants"). Mercy alleged that the four Defendants had each, among other things, violated Ohio's antitrust laws, tortuously interfered with Mercy's business relationships, engaged in unfair competition and deceptive practices, participated in a civil conspiracy, and violated Ohio's Pattern of Corrupt Activities Statute. The action went to trial, and in June, 2010, the jury rendered

Notes to Financial Statement

judgment in favor of the Defendants on five of the six Mercy claims that were still at issue by that time.

Cont. Note 21 H

With respect to the sixth claim, for an alleged violation of Ohio's Patten of Corrupt Activities Statute, the jury found "Aultman" liable to Mercy for \$6,148,000 in damages. Mercy had sought \$110,000,000 in damages.

On October 19, 2010, the trial judge overruled the four Defendants' motion for judgment notwithstanding the verdict and for a new trial, but denied Mercy's claim for prejudgment interest. The trial judge also granted Mercy injunctive relief and attorneys fees of \$4,000,000. Neither the one verdict on which Mercy prevailed nor any of the Court's October 19 orders allocated the jury's award among the four Defendants. The four Defendants appealed the jury verdict and the judge's orders on October 22, 2010. On March 5, 2012, the Court of Appeals affirmed the monetary awards to Mercy, but reversed the Trial Court's injunctive relief requiring payments to non-parties. On April 19, 2012, the Defendants filed an appeal to the Ohio Supreme Court. On July 25, 2012, the Ohio Supreme Court accepted jurisdiction to hear that appeal.

22. Events Subsequent
 - A. As of October 23, 2012, there have been no Type I events subsequent to September 30, 2012, which would have a material effect on the financial condition of the Company or on the financial statement issued November 15, 2012.
 - B. As of October 23, 2012, there have been no Type II events subsequent to September 30, 2012, which would have a material effect on the financial condition of the Company or on the financial statement issued November 15, 2012.
23. Reinsurance
 - A. No Change.
 - B. No Change.
 - C. No Change.
24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (N/A –Title)
 - A. No Change.
 - B. No Change.
 - C. The Company has accrued \$0 of net premiums written as of September 30, 2012 for the group health plan. No other net premiums written by the Company are subject to retrospective rating features.
25. Change in Incurred Claims and Claims Adjustment Expenses
 - A. No Change.
26. Intercompany Pooling Arrangements
 - A. No Change.
27. Structured Settlements
 - A. No Change.

Notes to Financial Statement**28. Health Care Receivables****A.**

Quarter	Estimated Rx Rebates as Reported on Statement	Rx Rebates as Invoiced	Actual Rebates Received Within 90 days of Invoicing	Rebates Received Within 91 to 180 days of Invoicing	Rebates Received More Than 180 days of Invoicing
9/30/12	\$853,683	\$726,232			
6/30/12	\$1,051,362	\$809,803			
3/31/12	\$1,282,612	\$821,608		\$1,338,204	
12/31/11	\$1,247,057	\$857,163		\$961,472	\$15,482
9/30/11	\$683,767	\$970,453		\$784,612	\$10,203
6/30/11	\$391,204	\$963,016		\$913,051	\$11,507
3/31/11	\$111,477	\$1,242,743	\$157,057	\$1,083,839	\$11,165
12/31/10	\$534,006	\$820,214	\$583,468	\$248,771	\$11,429
9/30/10	\$578,128	\$776,092	\$603,248	\$202,522	
6/30/10	\$607,772	\$746,448	\$557,521	\$216,316	
3/31/10	\$652,256	\$701,964	\$553,547	\$182,843	
12/31/09	\$439,392	\$814,828	\$635,822	\$249,359	

B.

No Change.

29. Participating Policies

A. No Change.

30. Premium Deficiency Reserves

A. No Change.

31. Anticipated Salvage and Subrogation

A. No Change.

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**
GENERAL

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[] No[] N/A[X]
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010
- 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. 12/31/2010
- 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). 09/21/2011
- 6.4 By what department or departments?
Ohio Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[] No[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. Yes[] No[X]
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

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

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[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 8,766,582
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:

GENERAL INTERROGATORIES (Continued)

		1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21	Bonds .....	.....	.....
14.22	Preferred Stock .....	.....	.....
14.23	Common Stock .....	.....	.....
14.24	Short-Term Investments .....	.....	.....
14.25	Mortgages Loans on Real Estate .....	.....	.....
14.26	All Other .....	..... 18,067,146	..... 16,956,717
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	..... 18,067,146	..... 16,956,717
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[] No[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

If no, attach a description with this statement.

Yes[] No[] N/A[X]

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

Yes[X] No[]

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

1 Name of Custodian(s)	2 Custodian Address
FirstMerit Trust Company	4481 Munson St. NW #200, Canton, OH 44718
The Vanguard Group	P.O. Box 2600 Valley Forge, PA 19482

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

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

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

Yes[] No[X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
.....

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

Yes[X] No[]

17.2 If no, list exceptions:

GENERAL INTERROGATORIES**PART 2 - HEALTH**

1. Operating Percentages:

1.1 A&H loss percent	.....	91.000%
1.2 A&H cost containment percent	.....	1.000%
1.3 A&H expense percent excluding cost containment expenses	.....	8.000%

2.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

2.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$..... 0

2.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

2.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$..... 0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)

Q
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SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**Current Year to Date - Allocated by States and Territories**

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	L	154,561,580	193,356,354		10,871,008				358,788,943
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CN)	N								
58. Aggregate other alien (OT)	XXX								
59. Subtotal	XXX	154,561,580	193,356,354		10,871,008				358,788,943
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. Total (Direct Business)	(a)	1	154,561,580	193,356,354		10,871,008			358,788,943

DETAILS OF WRITE-INS

5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

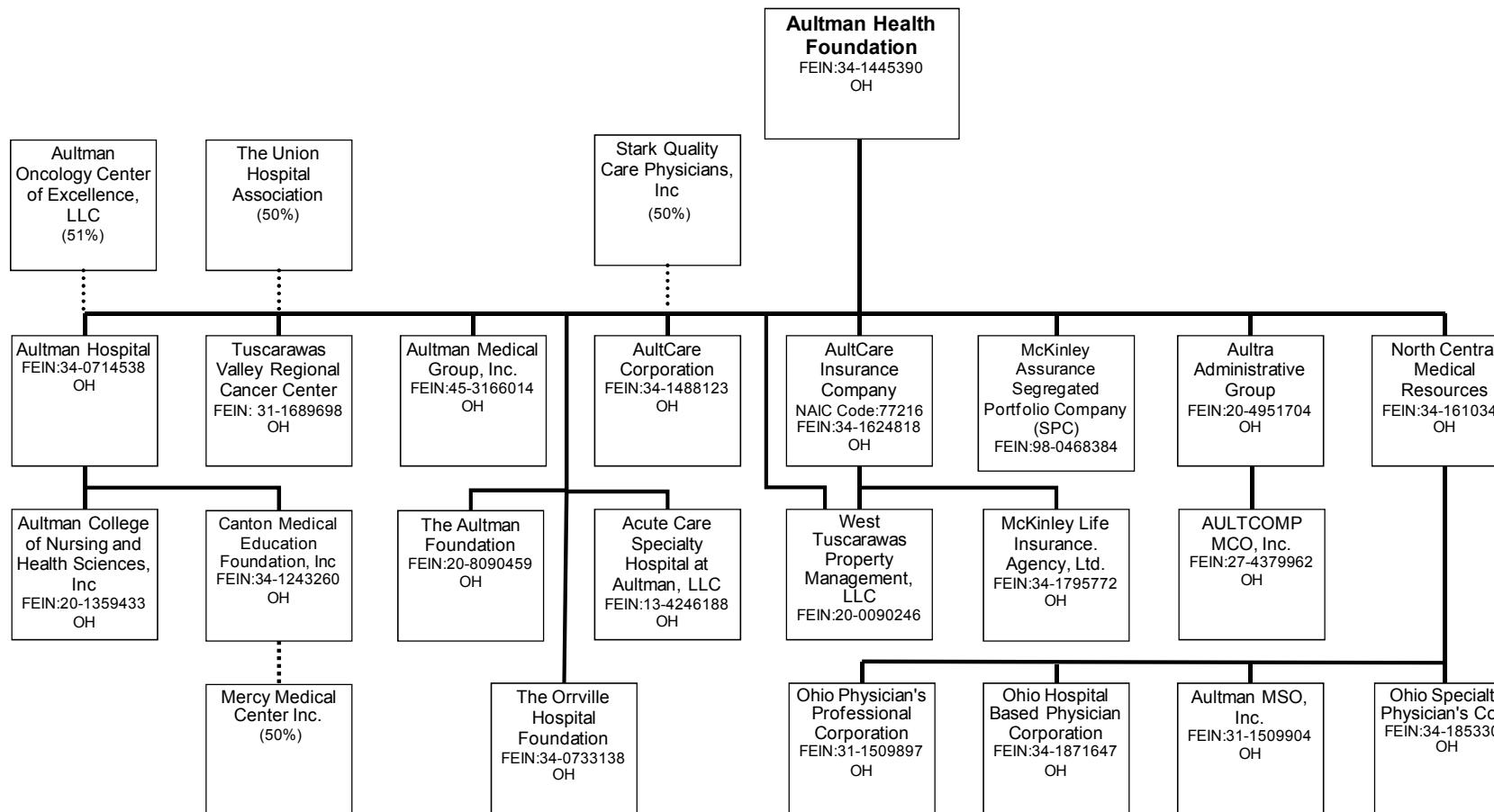
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*
Q16		00000	34-1445390			Aultman Health Foundation	US	UDP	Aultman Health Foundation	Board of Directors			Aultman Health Foundation	
		00000	34-0714538			Aultman Hospital	US	NIA	Aultman Health Foundation	Ownership	100.0		Aultman Health Foundation	
		77216	34-1624818			AultCare Insurance Company	US	OTH	Self	Ownership	100.0		Aultman Health Foundation	
		00000	34-1488123			AultCare Corporation	US	IA	Aultman Health Foundation & Stark County Care Physicians, Inc	Other			Aultman Health Foundation	1
		00000	20-0090246			West Tuscarawas Property Management, LLC	US	DS	AultCare Insurance Company	Ownership	94.0		Aultman Health Foundation	
		00000	34-1795772			McKinley Life Insurance Agency, Ltd.	US	DS	AultCare Insurance Company	Ownership	100.0		Aultman Health Foundation	
		00000	20-4951704			Aultra Administrative Group	US	IA	Aultman Health Foundation	Management			Aultman Health Foundation	
		00000	27-4379962			AultComp MCO, Inc.	US	NIA	Aultra Administrative Group	Ownership	100.0		Aultman Health Foundation	
		00000	34-1853300			Ohio Specialty Physician's Corporation	US	NIA	North Central Medical Resources	Ownership	100.0		Aultman Health Foundation	
		00000	98-0468384			McKinley Assurance Segregated Portfolio Company (SPC)	US	NIA	Aultman Health Foundation	Ownership	100.0		Aultman Health Foundation	
		00000	20-1359433			Aultman College of Nursing and Health Sciences, Inc.	US	NIA	Aultman Hospital	Ownership	100.0		Aultman Hospital	
		00000	31-1509904			Aultman MSO, Inc.	US	NIA	North Central Medical Resources	Ownership	100.0		Aultman Health Foundation	
		00000	20-8090459			The Aultman Foundation	US	NIA	Aultman Health Foundation	Ownership	100.0		Aultman Health Foundation	
		00000	31-1509897			Ohio Physicians Professional Corporation	US	NIA	North Central Medical Resources	Ownership	100.0		Aultman Health Foundation	
		00000	34-1610344			North Central Medical Resources	US	NIA	Aultman Health Foundation	Ownership	100.0		Aultman Health Foundation	
		00000	34-1871647			Ohio Hospital Based Physician Corporation	US	NIA	North Central Medical Resources	Ownership	100.0		Aultman Health Foundation	
		00000	31-1689698			Tuscarawas Valley Regional Cancer Center	US	NIA	Other	Ownership, Board of Directors	50.0		Aultman Health Foundation	2
		00000	13-4246188			Acute Care Specialty Hospital at Aultman, LLC	US	NIA	Aultman Health Foundation	Ownership	100.0		Aultman Health Foundation	
		00000	34-1243260			Canton Medical Education Foundation, Inc.	US	NIA	Other	Ownership, Board of Directors	50.0		Aultman Hospital	3
		00000	45-3166014			Aultman Medical Group, Inc.	US	NIA	Aultman Health Foundation	Ownership	100.0		Aultman Health Foundation	
		00000	34-0733138			The Orrville Hospital Foundation	US	NIA	Aultman Health Foundation	Ownership	100.0		Aultman Health Foundation	

Asterisk	Explanation
0000001	AultCare Corporation's governance is controlled by Aultman Health Foundation 50% and Stark Quality Care Physicians, Inc 50%, 100% of equity owned by Aultman Health Foundation
0000002	Tuscarawas Valley Regional Cancer Center is controlled by Aultman Health Foundation 50% and a non-insurance affiliate entity Union Hospital 50%
0000003	Canton Medical Education Foundation is controlled by Aultman Hospital 50% and a non-insurance affiliate entity Mercy Medical Center 50%

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.

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

RESPONSE

Yes

Explanations:

Bar Codes:

STATEMENT AS OF **September 30, 2012** OF THE **AultCare Insurance Company**
SCHEDULE A - VERIFICATION

Real Estate

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

N O N E

SCHEDULE B - VERIFICATION
Mortgage Loans

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

SCHEDULE BA - VERIFICATION
Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	18,067,146	15,630,026
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		3,601,021
3. Capitalized deferred interest and other		
4. Accrual of discount		(166,522)
5. Unrealized valuation increase (decrease)		(167,663)
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	943,907	
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		996,238
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	16,956,716	18,067,146
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	16,956,716	18,067,146

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	75,851,743	71,069,403
2. Cost of bonds and stocks acquired	6,119,489	16,653,018
3. Accrual of discount	29,964	38,249
4. Unrealized valuation increase (decrease)	1,716,187	(336,000)
5. Total gain (loss) on disposals	(19,381)	(2,338)
6. Deduct consideration for bonds and stocks disposed of	14,564,999	11,485,000
7. Deduct amortization of premium	54,305	85,588
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	69,078,699	75,851,743
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	69,078,699	75,851,743

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)	54,687,730	.....	3,185,000	(7,650)	60,266,966	54,687,730	51,495,079	60,202,791
2. Class 2 (a)
3. Class 3 (a)
4. Class 4 (a)
5. Class 5 (a)
6. Class 6 (a)
7. Total Bonds	54,687,730	.....	3,185,000	(7,650)	60,266,966	54,687,730	51,495,079	60,202,791
PREFERRED STOCK								
8. Class 1
9. Class 2
10. Class 3
11. Class 4
12. Class 5
13. Class 6
14. Total Preferred Stock
15. Total Bonds & Preferred Stock	54,687,730	.....	3,185,000	(7,650)	60,266,966	54,687,730	51,495,079	60,202,791

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

SI03	Schedule DA Part 1	NONE
SI03	Schedule DA Verification	NONE
SI04	Schedule DB - Part A Verification	NONE
SI04	Schedule DB - Part B Verification	NONE
SI05	Schedule DB Part C Section 1	NONE
SI06	Schedule DB Part C Section 2	NONE
SI07	Schedule DB - Verification	NONE
SI08	Schedule E - Verification (Cash Equivalents)	NONE

E01 Schedule A Part 2 **NONE**

E01 Schedule A Part 3 **NONE**

E02 Schedule B Part 2 **NONE**

E02 Schedule B Part 3 **NONE**

SCHEDULE BA - PART 2
Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
N O N E												
4199999 TOTALS												XXX

SCHEDULE BA - PART 3
Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value					15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income	
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B.I.C.V. (9 + 10 - 11 + 12)	14 Total Foreign Exchange Change in B.A.C.V.						
QE03	Non-collateral Loans - Affiliated	Canton	OH	AultCare-Affiliated	AultCare Insurance Company	01/01/2009	09/30/2012	9,018,504	(943,907)			(943,907)		8,074,596					
	2699999 Subtotal - Non-collateral Loans - Affiliated							9,018,504	(943,907)			(943,907)		8,074,596					
	3999999 Total - Unaffiliated							9,018,504	(943,907)			(943,907)		8,074,596					
	4099999 Total - Affiliated							9,018,504	(943,907)			(943,907)		8,074,596					
	4199999 TOTALS							9,018,504	(943,907)			(943,907)		8,074,596					

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
				N O N E					
9999999 Total - Bonds, Preferred and Common Stocks					XXX	XXX	XXX	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE D - PART 4**Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of
During the Current Quarter**

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)	
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
Bonds - U.S. Governments																					
31398AYM8 . FNMA	FNMA	08/10/2012	FIRSTMERIT	XXX	1,500,000	1,500,000.00	1,499,400	1,499,877		117		117		1,499,994		6	6	26,250	08/10/2012	1	
31359MPF4 . FNMA	FNMA	09/15/2012	FIRSTMERIT	XXX	1,450,000	1,450,000.00	1,445,566	1,449,576		400		400		1,449,975		25	25	63,438	09/15/2012	1	
56064CBJ6 . MAINSTREET BK FL CD	MAINSTREET BK FL CD	07/30/2012	FIRSTMERIT	XXX	235,000	235,000.00	235,000	235,000						235,000					07/30/2012	1	
0599999 Subtotal - Bonds - U.S. Governments				XXX	3,185,000	3,185,000.00	3,179,966	3,184,453		517		517		3,184,970		30	30	89,688	.. XXX ..	.. XXX ..
8399997 Subtotal - Bonds - Part 4				XXX	3,185,000	3,185,000.00	3,179,966	3,184,453		517		517		3,184,970		30	30	89,688	.. XXX ..	.. XXX ..
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX XXX ..
8399999 Subtotal - Bonds				XXX	3,185,000	3,185,000.00	3,179,966	3,184,453		517		517		3,184,970		30	30	89,688	.. XXX ..	.. XXX ..
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX XXX ..
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX XXX ..
9899999 Subtotal - Preferred and Common Stocks				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX XXX ..
9999999 Total - Bonds, Preferred and Common Stocks				XXX	3,185,000	XXX	3,179,966	3,184,453		517		517		3,184,970		30	30	89,688	.. XXX ..	.. XXX ..

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E06 Schedule DB Part A Section 1 **NONE**

E07 Schedule DB Part B Section 1 **NONE**

E08 Schedule DB Part D **NONE**

E09 Schedule DL - Part 1 - Securities Lending Collateral Assets **NONE**

E10 Schedule DL - Part 2 - Securities Lending Collateral Assets **NONE**

SCHEDULE E - PART 1 - CASH**Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month			9 *
						6 First Month	7 Second Month	8 Third Month	
open depositories									
FirstMerit Bank - Trust	Canton, Ohio		0.010	9,100		827,768	2,594,962	4,161,573	XXX
FirstMerit Bank - Brokered CDs	Canton, Ohio		0.010	8		461,853	466,261	468,798	XXX
Huntington National Bank	Canton, Ohio					3,511,530	18,129,784	(519,159)	XXX
FirstMerit Bank-ST CDs	Canton, Ohio					3,922,803	4,827,361	4,722,202	XXX
Huntington National Bank	Canton, Ohio					984	984	984	XXX
0199998 Deposits in	0 depositories that do not exceed the allowable limit in any one depository - open depositories	XXX	XXX						XXX
0199999 Totals - Open Depositories		XXX	XXX	9,109		8,724,938	26,019,352	8,834,398	XXX
0299998 Deposits in	0 depositories that do not exceed the allowable limit in any one depository - suspended depositories	XXX	XXX						XXX
0299999 Totals - Suspended Depositories		XXX	XXX						XXX
0399999 Total Cash On Deposit		XXX	XXX	9,109		8,724,938	26,019,352	8,834,398	XXX
0499999 Cash in Company's Office		XXX	XXX	XXX	XXX				XXX
0599999 Total Cash		XXX	XXX	9,109		8,724,938	26,019,352	8,834,398	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
8699999 Total - Cash Equivalents							

N O N E



MEDICARE PART D COVERAGE SUPPLEMENT

Net of Reinsurance

NAIC Group Code: 0000

NAIC Company Code: 77216

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected	1,168,176	XXX		XXX	1,168,176
2. Earned Premiums	1,168,176	XXX		XXX	XXX
3. Claims Paid	4,651,772	XXX		XXX	4,651,772
4. Claims Incurred	4,799,437	XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX	531,264	XXX		531,264
6. Aggregate Policy Reserves - change		XXX		XXX	XXX
7. Expenses Paid	(144,862)	XXX		XXX	(144,862)
8. Expenses Incurred		XXX		XXX	XXX
9. Underwriting Gain or Loss	(3,631,261)	XXX		XXX	XXX
10. Cash Flow Results	XXX	XXX	XXX	XXX	(3,869,998)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.....0 due from CMS or \$.....0 due to CMS

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