



QUARTERLY STATEMENT
AS OF September 30, 2012
OF THE CONDITION AND AFFAIRS OF THE
KAISER FOUNDATION HEALTH PLAN OF OHIO

NAIC Group Code	0601 (Current Period)	0601 (Prior Period)	NAIC Company Code	95204	Employer's ID Number	34-0922268
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	03/29/1962		Commenced Business	10/27/1976		
Statutory Home Office	1001 Lakeside Ave. Suite 1200 (Street and Number)		Cleveland , OH 44114-1153 (City, or Town, State and Zip Code)			
Main Administrative Office	1001 Lakeside Ave. Suite 1200 (Street and Number)					Cleveland, OH 44114-1153 (City or Town, State and Zip Code)
					(216)621-5600 (Area Code) (Telephone Number)	
Mail Address	1001 Lakeside Ave. Suite 1200 (Street and Number or P.O. Box)		Cleveland, OH 44114-1153 (City, or Town, State and Zip Code)			
Primary Location of Books and Records	1001 Lakeside Ave. Suite 1200 (Street and Number)					
	Cleveland , OH 44114-1153 (City, or Town, State and Zip Code)		(216)621-5600 (Area Code) (Telephone Number)			
Internet Web Site Address	KP.org					
Statutory Statement Contact	Scott D. Gonia (Name)		(216)479-5116 (Area Code)(Telephone Number)(Extension)			
	Scott.D.Gonia@kp.org (E-Mail Address)		(216)623-8793 (Fax Number)			

OFFICERS

Name	Title
George C. Halvorson	Chairman of the Board & CEO
Donna Lynne	Group President, Regions Outside California
Patricia D. Kennedy-Scott	Regional President
Kathy Lancaster	Executive Vice President-CFO
Arthur M. Southam MD	Executive Vice President-Health Plan Operations
Bernard J. Tyson	President and Chief Operating Officer
Mark S. Zemelman	Senior Vice President, General Counsel, Secretary
Thomas R. Meier	Senior Vice President and Treasurer
Don H. Orndoff	Senior Vice President, National Facilities Service
Deborah Stokes	Senior Vice President, Controller and CAO

Vice Presidents

DIRECTORS OR TRUSTEES

George C. Halvorson	Christine K. Cassel MD	Thomas W. Chapman EdD	Daniel P. Garcia	Cynthia A. Telles PhD
Jenny J. Ming	J. Neal Purcell	J. Eugene Grigsby, III PhD	Philip A. Marineau	Kim J. Kaiser
William R. Graber	Judith A. Johansen JD	Edward Pei	Meg Porfido JD	

State of Ohio
County of Cuyahoga 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)	(Signature)	(Signature)
Patricia D. Kennedy-Scott	Thomas R. Meier	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Regional President	Senior Vice President and Treasurer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this	a. Is this an original filing?	Yes[X] No[]
day of , 2012	b. If no,	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	

(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1.	Bonds	119,702,468		119,702,468	102,847,727
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks				
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)	50,516,001		50,516,001	51,707,113
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....16,057,370), cash equivalents (\$.....0) and short-term investments (\$.....32,919,856)	48,977,226		48,977,226	49,520,309
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives				
8.	Other invested assets				
9.	Receivables for securities	28,375		28,375	
10.	Securities lending reinvested collateral assets				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	219,224,070		219,224,070	204,075,149
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	619,716		619,716	704,033
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	9,214,843		9,214,843	11,435,390
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers				
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software	345,242	244,761	100,481	186,780
21.	Furniture and equipment, including health care delivery assets (\$.....11,558,797)	12,341,327	782,530	11,558,797	14,504,614
22.	Net adjustments in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	71,597		71,597	965,194
24.	Health care (\$.....3,005,353) and other amounts receivable	3,186,017		3,186,017	2,181,214
25.	Aggregate write-ins for other than invested assets	1,694,691	1,694,691		
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	246,697,503	2,721,982	243,975,521	234,052,374
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	246,697,503	2,721,982	243,975,521	234,052,374
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.	Prepaid & Other Current Assets	1,694,691	1,694,691		
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)	1,694,691	1,694,691		

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	26,057,559		26,057,559	34,498,492
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	868,610		868,610	1,137,110
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	26,100,000		26,100,000	4,400,000
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	7,444,159		7,444,159	8,488,470
9.	General expenses due or accrued	952,503		952,503	2,417,244
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				
12.	Amounts withheld or retained for the account of others	123,023		123,023	331,459
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	35,845,340		35,845,340	27,758,033
16.	Derivatives				
17.	Payable for securities	2,642,808		2,642,808	
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				
23.	Aggregate write-ins for other liabilities (including \$.....0 current)	122,220,221		122,220,221	126,794,138
24.	Total liabilities (Lines 1 to 23)	222,254,223		222,254,223	205,824,946
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X		
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	3,264	3,264
29.	Surplus notes	X X X	X X X	135,000,000	94,000,000
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	(113,281,966)	(65,775,836)
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	21,721,298	28,227,428
34.	Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	243,975,521	234,052,374
DETAILS OF WRITE-INS					
2301.	Post Retirement	45,955,642		45,955,642	44,186,266
2302.	Accrued Payroll and Related	10,895,060		10,895,060	10,462,429
2303.	Professional and Public Liability				
2398.	Summary of remaining write-ins for Line 23 from overflow page	65,369,519		65,369,519	72,145,443
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	122,220,221		122,220,221	126,794,138
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	X X X	820,393	996,464	1,309,334
2.	Net premium income (including \$.....0 non-health premium income)	X X X	371,073,432	404,933,242	523,800,795
3.	Change in unearned premium reserves and reserves for rate credits	X X X			
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X	2,042,690	1,619,014	2,311,363
5.	Risk revenue	X X X			
6.	Aggregate write-ins for other health care related revenues	X X X	449,191		948,871
7.	Aggregate write-ins for other non-health revenues	X X X			
8.	Total revenues (Lines 2 to 7)	X X X	373,565,313	406,552,256	527,061,029
Hospital and Medical:					
9.	Hospital/medical benefits		110,710,219	125,422,650	157,401,648
10.	Other professional services		51,674,936	53,694,261	68,299,684
11.	Outside referrals		29,736,598	40,468,142	52,622,392
12.	Emergency room and out-of-area		19,907,861	25,498,033	37,797,607
13.	Prescription drugs		40,463,498	42,269,753	55,244,593
14.	Aggregate write-ins for other hospital and medical		104,042,971	91,453,474	134,110,778
15.	Incentive pool, withhold adjustments and bonus amounts				
16.	Subtotal (Lines 9 to 15)		356,536,083	378,806,313	505,476,702
Less:					
17.	Net reinsurance recoveries				
18.	Total hospital and medical (Lines 16 minus 17)		356,536,083	378,806,313	505,476,702
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including \$.....4,648,962 cost containment expenses		8,147,698	9,485,965	12,669,998
21.	General administrative expenses		36,734,855	36,268,823	55,967,750
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		21,700,000	(6,400,000)	(7,300,000)
23.	Total underwriting deductions (Lines 18 through 22)		423,118,636	418,161,101	566,814,450
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(49,553,323)	(11,608,845)	(39,753,421)
25.	Net investment income earned		1,567,485	1,217,735	2,501,001
26.	Net realized capital gains (losses) less capital gains tax of \$.....0		752,017	412,999	109,329
27.	Net investment gains or (losses) (Lines 25 plus 26)		2,319,502	1,630,734	2,610,330
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		278,056	267,956	423,586
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(46,955,765)	(9,710,155)	(36,719,505)
31.	Federal and foreign income taxes incurred	X X X			
32.	Net income (loss) (Lines 30 minus 31)	X X X	(46,955,765)	(9,710,155)	(36,719,505)
DETAILS OF WRITE-INS					
0601.	Other Revenues	X X X	449,191		948,871
0602.	.....	X X X			
0603.	.....	X X X			
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	449,191		948,871
0701.	.....	X X X			
0702.	.....	X X X			
0703.	.....	X X X			
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401.	Occupancy, Depreciation and Amortization		10,601,788	8,643,279	11,861,807
1402.	Medical Office Facilities		24,153,273	22,925,997	32,156,294
1403.	Professional Liability Insurance		3,672,148	2,357,615	3,176,428
1498.	Summary of remaining write-ins for Line 14 from overflow page		65,615,762	57,526,583	86,916,249
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		104,042,971	91,453,474	134,110,778
2901.	Miscellaneous		278,056	267,956	423,586
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)		278,056	267,956	423,586

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year	28,227,428	42,096,085	42,096,085
34.	Net income or (loss) from Line 32	(46,955,765)	(9,710,155)	(36,719,505)
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			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			
39.	Change in nonadmitted assets	(242,522)	(1,360,727)	306,961
40.	Change in unauthorized reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes	41,000,000	5,000,000	34,000,000
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	(307,844)	848,693	(11,456,113)
48.	Net change in capital and surplus (Lines 34 to 47)	(6,506,131)	(5,222,189)	(13,868,657)
49.	Capital and surplus end of reporting period (Line 33 plus 48)	21,721,297	36,873,896	28,227,428
DETAILS OF WRITE-INS				
4701.	Change in Restricted Donations			(8,779)
4702.	Additional minimum liability Pension		848,693	(11,447,334)
4703.	Reduction in ARO Liability	(307,844)		
4798.	Summary of remaining write-ins for Line 47 from overflow page			
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(307,844)	848,693	(11,456,113)

CASH FLOW

		1	2	3
		Current	Prior	Prior
		Year	Year	Year Ended
		To Date	To Date	December 31
Cash from Operations				
1.	Premiums collected net of reinsurance	393,949,668	409,324,950	515,825,343
2.	Net investment income	2,032,591	1,772,948	3,231,667
3.	Miscellaneous income	1,744,056	647,137	2,638,984
4.	Total (Lines 1 to 3)	397,726,315	411,745,035	521,695,994
5.	Benefit and loss related payments	386,677,016	377,195,690	500,784,505
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	46,337,737	45,951,959	67,875,796
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)			
10.	Total (Lines 5 through 9)	433,014,753	423,147,649	568,660,301
11.	Net cash from operations (Line 4 minus Line 10)	(35,288,438)	(11,402,614)	(46,964,307)
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds	43,515,495	36,614,465	46,509,800
12.2	Stocks			
12.3	Mortgage loans			
12.4	Real estate			
12.5	Other invested assets			
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7	Miscellaneous proceeds	5,761,066	4,281,836	6,477,550
12.8	Total investment proceeds (Lines 12.1 to 12.7)	49,276,561	40,896,301	52,987,350
13.	Cost of investments acquired (long-term only):			
13.1	Bonds	60,069,600	42,187,785	52,422,609
13.2	Stocks			
13.3	Mortgage loans			
13.4	Real estate	1,884,929	2,362,394	1,755,046
13.5	Other invested assets			
13.6	Miscellaneous applications			400,841
13.7	Total investments acquired (Lines 13.1 to 13.6)	61,954,529	44,550,179	54,578,496
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)	(12,677,968)	(3,653,878)	(1,591,146)
Cash from Financing and Miscellaneous Sources				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes	41,000,000	5,000,000	34,000,000
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)	6,423,323	(31,250,547)	(4,985,557)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	47,423,323	(26,250,547)	29,014,443
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)	(543,083)	(41,307,039)	(19,541,010)
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year	49,520,309	69,061,320	69,061,320
19.2	End of period (Line 18 plus Line 19.1)	48,977,226	27,754,281	49,520,309

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

20.0001				
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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	103,503	4,832	70,607				7,937	18,961		1,166
2. First Quarter	94,275	5,433	64,366				7,586	16,890		
3. Second Quarter	91,123	5,418	61,486				7,492	16,727		
4. Third Quarter	88,763	4,167	59,710				6,878	18,008		
5. Current Year										
6. Current Year Member Months	820,393	38,108	560,047				61,909	160,329		
Total Member Ambulatory Encounters for Period:										
7. Physician	394,361	12,420	216,090				26,142	139,709		
8. Non-Physician	70,147	2,046	43,487				6,020	18,594		
9. Total	464,508	14,466	259,577				32,162	158,303		
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions	4,954	154	2,300				331	2,169		
12. Health Premiums Written (a)	371,073,432	13,122,912	210,529,010				31,555,130	115,865,641		739
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	371,073,432	13,122,912	210,529,010				31,555,130	115,865,641		739
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	364,977,019	11,565,167	228,807,578				32,130,013	92,448,116		26,145
18. Amount Incurred for Provision of Health Care Services	356,536,083	11,146,986	223,529,822				31,984,731	89,846,163		28,381

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....82,109,487.

STATEMENT AS OF **September 30, 2012** OF THE **KAISER FOUNDATION HEALTH PLAN OF OHIO**

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

Aging Analysis of Unpaid Claims						
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 days	Over 120 Days	Total
Individually Listed Claims Unpaid						
Due to Ohio Permanente Medical Group	7,154,761	1,188,147				8,342,908
0199999 Individually Listed Claims Unpaid	7,154,761	1,188,147				8,342,908
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	5,851,518					5,851,518
0499999 Subtotals	13,006,279	1,188,147				14,194,426
0599999 Unreported claims and other claim reserves						11,863,133
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						26,057,559
0899999 Accrued Medical Incentive Pool And Bonus Amounts						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical)	21,252,570	219,120,176	633,525	16,321,108	21,886,095	22,650,570
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan	2,915,648	29,214,364	102,359	2,537,275	3,018,007	2,784,915
6.	Title XVIII - Medicare	8,649,490	83,798,626	110,449	6,350,952	8,759,939	9,063,355
7.	Title XIX - Medicaid						
8.	Other health	806	25,339	133	1,758	939	(347)
9.	Health subtotal (Lines 1 to 8)	32,818,514	332,158,505	846,466	25,211,093	33,664,980	34,498,493
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pools and bonus amounts						
13.	Totals (Lines 9 - 10 + 11 + 12)	32,818,514	332,158,505	846,466	25,211,093	33,664,980	34,498,493

(a) Excludes \$.00 loans or advances to providers not yet expensed.

Notes to Financial Statement

Kaiser Foundation Health Plan of Ohio

Notes to Financial Statements

For the Nine Months Ended September 30, 2012 and the Year Ended December 31, 2011

1) Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of Kaiser Foundation Health Plan of Ohio (“Health Plan”) have been prepared in conformity with the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures* manual, (“NAIC SAP”), the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the State of Ohio – Ohio Department of Insurance (ODI). There were no reported differences to net income, statutory surplus, or risk-based capital for specific practices, prescribed or permitted by the State of Ohio, that deviate from NAIC SSAP in the reported periods.

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

The preparation of the statutory financial statements in conformity with NAIC SAP, the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the ODI requires management to make estimates and assumptions that affect the reported amounts. The fair value of investments, allowance for uncollectible premiums and healthcare receivables, Medicare revenue accruals, Medicare payables and reserves, reserves for unpaid claims and adjustment expense, pension and other retirement liabilities, premium deficiency reserves, public and professional insurance liability, real estate, property and equipment impairment and useful lives, investment impairments and other charges represent significant estimates. Actual results could differ materially from those estimates. With respect to employee benefit plans, as occurs from time to time, negotiations with labor partners may result in changes to compensation and benefits. These changes are reflected in the statutory financial statements as appropriate when agreements are finalized.

C. Accounting Policies

Cash (Overdraft) and Short Term Investments

Cash (overdraft) and short-term investments include interest-bearing deposits purchased with an original maturity of twelve months or less. Cash and investments that are restricted per contractual or regulatory requirements are classified as bonds and other invested assets and excluded from cash (overdraft) and short-term investments.

Premiums and Health Care Receivable

Premiums and health care receivables exclude nonadmitted balances. Certain receivables are not admissible in accordance with the NAIC SAP. Nonadmitted amounts include all nongovernmental premiums and health care receivables greater than 90 days past due and other amounts deemed uncollectible. In addition, when premiums and health care receivables greater than 90 days past due are more than a de minimus portion of the entire premiums and health care receivables balance, the entire premiums and health care receivables balance is nonadmitted.

Bonds and Other Invested Assets

Bonds and other invested assets include U.S. Treasury and government-sponsored agencies, loan-backed and/or structured securities, industrial and miscellaneous bonds and all other government bonds. Recognized gains and losses are recorded on the specific identification basis. Interest income is included in net investment and other income.

Bonds are reported in accordance with NAIC Annual Statement Instructions (Statement Value). Accordingly, bonds that are designated highest quality, NAIC Designation 1 and 2, are reported at amortized cost using the effective interest method, and bonds that are classified as NAIC Designation 3 or lower are reported at lower of amortized cost or fair value.

Adjustments are made prospectively and repayment assumptions are obtained from a third party vendor data source for loan-backed and/or structured securities. The amortization method used is the scientific method.

Notes to Financial Statement

Investments are regularly reviewed for impairment and a charge is recognized when the fair value is below cost basis and is judged to be other-than-temporary. Impairment is included in net realized capital gains (losses). In its review of assets for impairment that is deemed other-than-temporary, management generally follows the following guidelines:

- Substantially all investments are managed by outside investment managers who do not need KFHP's management pre-approval for sales, therefore substantially all declines in value below amortized cost are recognized as impairment that other-than-temporary.
- For other securities, losses are recognized for known matters, such as bankruptcies, regardless of ownership period, and investments that have been continuously below book value for an extended period of time are evaluated for impairment that is other-than-temporary.

Health Plan's investment transactions are recorded on a trade-date basis.

Health Plan is required to keep investments on deposit in the State of Ohio, where it is licensed. At both September 30, 2012 and December 31, 2011, \$400 thousand in long-term U.S. Treasury notes were restricted to satisfy the state's regulatory requirements.

Real Estate, Property and Equipment

Real estate, property and equipment, which includes land, buildings and improvements, furniture, equipment and software, are stated at cost less accumulated depreciation and amortization. Interest is capitalized on facilities construction in progress and is added to the cost of the underlying asset, in accordance with Statement of Statutory Accounting Principles (SSAP) No. 44, *Capitalization of Interest Cost*. Depreciation begins when the project is substantially complete and ready for its intended use. Software is amortized on a straight-line basis over three years. Buildings and equipment are depreciated on a straight line basis over the shorter of the asset's useful life or the estimated useful lives of the various classes of assets, generally ranging from 3 to 33 years. Leasehold improvements are depreciated on a straight-line basis over the terms of the base period, generally 5 years.

Management evaluates alternatives for delivering services that may affect the current and future utilization of existing and planned assets and could result in an adjustment to the carrying values of such land, buildings, equipment and software in the future. Management evaluates and records impairment losses, where applicable, based on expected utilization, projected cash flows and recoverable values.

Maintenance and repairs are expensed as incurred. Major improvements that increase the estimated useful life of an asset are capitalized. Upon the sale or retirement of assets, recorded cost and related accumulated depreciation are removed from the accounts, and any gain or loss on disposal is reflected in operations.

Included in property and equipment are health care delivery assets representing pharmaceutical inventory, as well as medical center furniture, fixtures and equipment used in the direct delivery of care. Pharmaceutical inventory is included in the furniture and equipment category.

Pharmaceutical inventory is not subject to depreciation. Medical center furniture, fixtures and equipment used in the direct delivery of care are depreciated over their estimated useful lives but for a period not to exceed three years.

Self-Insured Risks

Costs associated with self-insured risks, primarily for workers' compensation, are charged to operations based upon actual and estimated claims. The estimate for incurred but not reported self-insured claims is based on actuarial projections of costs using historical claims and other relevant data. Estimates are monitored and reviewed and, as settlements were made or estimates were revised, adjustments are reflected in current operations. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate payments for self-insured claims are dependent on future developments, management is of the opinion that the reserve for self-insured risks is adequate. Coverage, in excess of the per occurrence self-insured retention, has been secured with affiliated and unaffiliated insurers or reinsurers for specified amounts for workers' compensation liabilities. Decisions relating to the limit and scope of the self-insured layer and the amounts of excess insurance purchased are reviewed each year, subject to management's analysis of actuarial loss projections and the price and availability of acceptable commercial insurance.

Notes to Financial Statement

Reserves for Unpaid Claims and Claims Adjustment Expense

The cost of health care services is recognized in the period in which services are provided. Reserves for unpaid claims and claims adjustment expense consists of unpaid health care expenses, which include an estimate of the cost of services provided to Health Plan's members by third-party providers that have been incurred but not reported. The estimate for incurred but not reported claims is based on actuarial projections of costs using historical paid claims and other relevant data. Estimates are monitored and reviewed and, as settlements are made or estimates are revised, adjustments are reflected in current operations. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate amount of paid claims is dependent on future developments, management is of the opinion that the reserves for unpaid claims and claims adjustment expense are adequate to cover such claims. Negative amounts reported for incurred related to prior years result from claims being adjudicated and paid for amounts less than originally estimated.

The Ohio Permanente Medical Group, P.C. (Medical Group) cooperates with Health Plan in conducting the Kaiser Permanente Medical Care Program. Health Plan contracts with the Medical Group to provide or arrange for hospital and medical services for members. Contract payments to the Medical Group represent a substantial portion of the expenses for medical services reported in the statutory financial statements. Included in the reserves for unpaid claims and claims adjustment expense is Health Plan's due to associated medical group. Due to associated medical group consists primarily of unpaid medical expenses owed to the Medical Group for medical services provided to members under a medical services agreement with Health Plan. Under the agreement, Health Plan reimburses the Medical Group for the cost of physician services provided by Medical Group and claims expense for referred medical services. The cost of medical services, including an estimate of claims incurred but not reported, is recognized by Health Plan in the period in which services are provided and is reflected as a component of medical and hospital expenses.

The payable to the Medical Group was \$8.3 million and \$13.2 million as of September 30, 2012 and December 31, 2011. Based upon the terms of the agreement with the Medical Group, Health Plan paid \$64.1 million and \$95.6 million to the Medical Group for the nine months ended September 30, 2012 and the year ended December 31, 2011, respectively.

Premium Deficiency Reserves

Premium deficiency reserves and the related expense are recognized when it is probable that expected future health care and maintenance costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries over the contract period. Expected investment income and interest expense is included in the calculation for premium deficiency reserves, as appropriate. The level at which contracts are grouped for evaluation purposes is generally by geographic region. The methods for making such estimates and for establishing the resulting reserves are reviewed and updated, and any resulting adjustments are reflected in current operations. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided.

Receivables and Payables for Securities

Receivables and payables for securities represent current amounts for unsettled securities purchases or sales.

Donations and Grants Made or Received

Donations and grants made are recognized at fair value in the period in which a commitment is made, provided the payment of the donation or grant is probable and the amount is determinable. Donations or grants received, including research grants, are recognized at fair value in the period the donation or grant was committed unconditionally by the grantor or in the period the donation or grant requirements are met, if later.

Revenue Recognition

Net premium revenue includes premiums from employer groups, individuals and Medicare. Revenue is recognized over the period in which the members are entitled to health care services.

The majority of Health Plan's Medicare revenues are paid based on cost, with interim payments using pre-established rates, and the final settlement is made after the end of the fiscal year. Estimates of final settlements of the cost report are recorded by Health Plan. In connection with Health Plan's Medicare cost contract, Health Plan recorded allowances and

Notes to Financial Statement

reserves for adjustments of recorded revenues in the amount of \$30.1 million and \$28.5 million at September 30, 2012 and December 31, 2011, respectively. For the nine months ended September 30, 2012 and the year ended December 31, 2011, Medicare revenues increased approximately \$4.7 million and decreased approximately \$11.8 million, respectively, due to prior year retroactive adjustments different than amounts previously estimated.

In addition, Medicare benefits include a voluntary prescription drug benefit (Part D). Revenues for Part D include capitated payments made from Medicare adjusted for health risk factor scores. Revenues also include amounts to reflect a portion of the health care costs for low-income Medicare beneficiaries and a risk-sharing arrangement to limit the exposure to unexpected expenses. Related accruals are recognized monthly based on cumulative experience and membership data. Part D revenue is finalized after all data is submitted to Medicare, and the final settlement is made after the end of the fiscal year.

Medicare Cost revenue and Medicare Part D revenue are subject to governmental audits and potential payment adjustments. The Centers for Medicare & Medicaid Services (CMS) performs coding audits to validate the supporting documentation maintained by Health Plan and its care providers.

Estimates of retrospective adjustments resulting from coding audits, cost reports and other contractual adjustments are recorded in the time period in which members are entitled to health care services. Actual retroactive adjustments may differ from initial estimates.

Premiums collected in advance are deferred and recorded as premiums received in advance. Revenue is adjusted to reflect estimates of collectability, including retroactive membership adjustment trends and economic conditions. Revenue and related receivables are exclusive of charity care. A portion of revenues derived under contracts with the United States Office of Personnel Management is subject to audit and potential retrospective adjustments.

Pension and Other Postretirement Benefits

Health Plan participates in defined benefit pension and postretirement plans that are administered by KFHP. The plans are accounted for within the framework of SSAP No. 89, *Accounting for Pensions*, A Replacement of SSAP No. 8, and SSAP No. 14, *Postretirement Benefits Other Than Pensions*, respectively. The plans are actuarially evaluated and involve various assumptions. Critical assumptions include the discount rate and the expected rate of return on plan assets (for pension), which are important elements of expense and/or liability measurement. Other assumptions involve demographic factors such as retirement age, mortality, turnover and the rate of compensation increases. KFHP evaluates assumptions annually and modifies them as appropriate. Pension and postretirement costs are allocated over the service period of the employees in the plan.

KFHP uses a discount rate to determine the present value of the future benefit obligations. The discount rate is established based on rates available for high-quality fixed-income debt at the measurement date whose maturity dates match the expected cash flows of the retirement plans.

To determine the expected long-term rate of return on pension plan assets, KFHP considers the current and expected asset allocation, as well as historical and expected returns for each plan asset class. Any difference between actual and expected plan experience, in excess of a 10% corridor around the larger of assets or liabilities, is recognized in the net periodic pension calculation over the expected average future service of the current employees, which is approximately 13 years.

Cost Allocations

For reporting lines of business activity, expenses are allocated based on utilization and experience.

2) Accounting Changes and Corrections of Errors

No significant changes from the 2011 annual statement.

3) Business Combinations and Goodwill

No significant changes from the 2011 annual statement.

4) Discontinued Operations

STATEMENT AS OF **September 30, 2012** OF THE **KAISER FOUNDATION HEALTH PLAN OF OHIO**

Notes to Financial Statement

No significant changes from the 2011 annual statement.

5) Investments

A -C, E -G

At September 30, 2012, Health Plan had no investments in mortgage loans, restructured debt, reverse mortgages, repurchase agreements, property held exclusively for sale, or low-income housing tax credits.

D) Loan-Backed Securities

(1) & (2) Fair Values and Concentrations of Credit Risk

Health Plan’s accounting policies regarding investments, including prepayment assumptions, are described in Note 1, “Summary of Significant Accounting Policies.”

At September 30, 2012, Health Plan held loan-backed securities with the following fair values and concentrations credit risk (in thousands):

Type	Class	Book Value	Fair Value
Commercial Mortgage-Backed and Other Loan-Backed and Structured Securities	Industrial & Misc	\$ 11,922	\$ 12,013
Total		\$11,922	\$12,013

Other-than-temporary impairment (OTTI) recognized for the nine months ended September 30, 2012 related to loan-backed securities is as follows (in thousands):

Classification	Amortized cost before OTTI	Recognized OTTI	Fair value at Time of OTTI
Inability or lack of intent to retain - Q1	\$ 354	\$ (1)	\$ 353
Inability or lack of intent to retain - Q2	\$ 852	\$ (2)	\$ 850
Inability or lack of intent to retain - Q3	\$ -	\$ -	\$ -
Total	\$ 1,206	\$ (3)	\$ 1,203

(3) Loan-backed securities held as of September 30, 2012 with a 2012 recognized other-than-temporary impairment are as follows (in thousands):

CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Recognized other-than-temporary impairment	Amortized Cost after other-than-temporary impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
36828QHK5	\$354	(1)	\$353	\$353	3/31/2012
36828QHK5	\$351	(1)	\$350	\$350	6/30/2012
34529VAD4	\$501	(1)	\$500	\$500	6/30/2012

F) Real Estate

There were no impairment losses on real estate for the nine months ended September 30, 2012.

6) Joint Ventures, Partnerships & Limited Liability Companies

No significant changes from the 2011 annual statement.

7) Investment Income

No significant changes from the 2011 annual statement.

8) Derivative Instruments

Notes to Financial Statement

No significant changes from the 2011 annual statement.

9) Income Taxes

No significant changes from the 2011 annual statement.

10) Information Concerning Parent, Subsidiaries and Affiliates

Health Plan is a subsidiary of Kaiser Foundation Health Plan, Inc. (KFHP). KFHP is affiliated with Kaiser Foundation Hospitals (Hospitals) because their governing boards and management are substantially the same. Health Plan contracts with Kaiser Foundation Hospitals to provide or arrange hospital services to members. Based upon the terms of the Hospital Service Agreement, Health Plan was charged \$44.4 million and \$59.3 million by Hospitals for the nine months ended September 30, 2012 and the year ended December 31, 2011, respectively.

Costs of services provided by KFHP and Hospitals to Health Plan were based on the actual cost incurred to provide those services. Services provided include, but are not limited to the following: information technology, treasury, general management, administrative support, and transaction processing. Charges for costs of services provided by KFHP and Hospitals were approximately \$43.1 million and \$59.1 million for the nine months ended September 30, 2012 and the year ended December 31, 2011, respectively. Health Plan received \$5 thousand of investment income from Hospitals for the nine months ended September 30, 2012 and \$60 thousand for the year ended December 31, 2011. In addition, Health Plan was charged interest expense of \$79 thousand and \$115 thousand by KFHP and Hospitals with respect to amounts paid by KFHP and Hospitals on behalf of Health Plan for the nine months ended September 30, 2012 and the year ended December 31, 2011, respectively.

Additionally, Health Plan purchased professional liability and other insurance from affiliated organizations primarily Lokahi Assurance, Ltd. (Lokahi). Health Plan's premium expense under these arrangements for the nine months ended September 30, 2012 and the year ended December 31, 2011 was \$3.8 million and \$3.3 million, respectively.

Health Plan contracts with Kaiser Permanente Insurance Company, a subsidiary of KFHP, to provide administrative services including, but not limited to, product development, rating and underwriting, marketing and sales, advertising, claims adjudication, member services, utilization management, and premium billing and collection. Pursuant to this contract, Health Plan received revenues of \$449 thousand and \$931 thousand for the nine months ended September 30, 2012 and the year ended December 31, 2011, respectively. In addition, Health Plan and KPIC cooperate in the delivery of services under Point of Service products. Under this arrangement, premiums from customers are allocated between Health Plan and KPIC based on prospective estimates of utilization. Pursuant to this arrangement, Health Plan received \$13.3 million and \$30.8 million in premium revenue from KPIC for the nine months ended September 30, 2012 and the year ended December 31, 2011, respectively.

Health Plan has also entered into reciprocal business relationships with KFHP whereby Health Plan and KFHP and its subsidiaries provided medical services to visiting members. Net revenue recorded for services provided by Health Plan for the nine months ended September 30, 2012 and the year ended December 31, 2011 was \$819 thousand and \$986 thousand, respectively. Net expense for services provided to Health Plan members in the nine months ended September 30, 2012 and the year ended December 31, 2011 was \$702 thousand and \$1.1 million, respectively.

Health Plan has a guaranty agreement with the parent, KFHP and affiliates, in which the parent and Hospitals, without exception, guarantees all obligations of Health Plan, including a guarantee to provide health care services to Health Plan's subscribers, enrollees and dependents in the event that Health Plan is discontinued prior to the expiration of Health Plan's contracts. In addition, Hospitals has loaned certain subordinated debt to Health Plan as described in the footnote *Minimum Capital and Surplus*.

Due from Hospitals generally represents amounts held and invested by affiliated organizations for the benefit of Health Plan in accordance with an agreement to manage excess funds. Due to Hospitals generally represents funds transferred by Hospitals to Health Plan to satisfy Health Plan's operational requirements. Due to Hospitals included a liability for payment of Hospitals' reserves for unpaid claims of \$8.1 million and \$10.4 million as of September 30, 2012 and December 31, 2011, respectively. Hospitals'

claims expense was included in Health Plan’s total expenses, primarily hospital and medical expenses.

Due from (due to) affiliated organizations – net at September 30, 2012 and December 31, 2011 were as follows (in thousands):

Due to Related Parties:			
Kaiser Foundation Health Plan, Inc.	\$	4,971	\$ 8,655
Kaiser Foundation Hospitals		29,671	17,065
Kaiser Permanente Insurance Corp		904	1,607
Other Related Parties		299	431
Total Due to Related Parties	\$	35,845	\$ 27,758
Due from Related Parties:			
Lokahi Assurance, Ltd.		56	965
Other Related Parties		15	-
Total Due from Related Parties	\$	71	\$ 965

11) Debt

No significant changes from the 2011 annual statement.

12) Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences, and Post-retirement Benefit Plans

No significant changes from the 2011 annual statement.

13) Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

Subordinated notes (the Notes) issued by Health Plan to Hospitals during the nine months ended September 30, 2012 were as follows (in thousands):

Issue Date	Due Date	Interest Rate	Amount
January 30, 2012	January 30, 2019	7.5%	\$11.0 million
May 7, 2012	May 7, 2019	7.5%	\$10.0 million
August 17, 2012	August 17, 2019	7.5%	\$20.0 million

Payment of principal or interest of the Notes are subject to approval by the Ohio Department of Insurance, and are subordinated to the prior payment of all general liabilities of Health Plan and the claims of its policyholders and all classes of creditors. Unapproved interest payable at September 30, 2012 and December 31, 2011 totaled \$13.9 million and \$7.5 million, respectively. The Notes, which were issued to maintain risk-based capital requirements, have been recorded as an increase to capital for statutory purposes. Unapproved interest payable is not accrued for statutory purposes.

14) Contingencies

No significant changes from the 2011 annual statement.

15) Leases

No significant changes from the 2011 annual statement.

16) Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

No significant changes from the 2011 annual statement.

Notes to Financial Statement

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

Health Plan has no transactions subject to the disclosure requirements of this footnote during the reporting period. Health Plan had no transfers of receivables or transfers of financial assets. SSAP No. 91R, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities (SSAP No.91R)*, paragraph 100 requires a reporting entity to disclose any wash sales involving securities with a NAIC designation of 3 or below. Health Plan's investment strategy does not include purchasing any securities with a NAIC designation of 3 or below. During 2012 and 2011, Health Plan did not participate in any wash sale as defined by SSAP No. 91.

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

Health Plan had no ASO or ASC plans on which to report. See Revenue Recognition in Note 1C – Accounting Policies.

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

No significant changes from the 2011 annual statement.

20) Fair Value Measurements

Health Plan utilizes a three-level valuation hierarchy for fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. For instruments classified in Level 1 of the hierarchy, valuation inputs are quoted prices for identical instruments in active markets at the measurement date. For instruments classified in Level 2 of the hierarchy, valuation inputs are directly observable but do not qualify as Level 1 inputs. Examples of Level 2 inputs include: quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; other observable inputs such as interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates; and market-correlated inputs that are derived principally from or corroborated by observable market data. For instruments classified in Level 3 of the hierarchy, valuation inputs are unobservable inputs for the instrument. Level 3 inputs incorporate assumptions about the factors that market participants would use in pricing the instrument.

Investments are reported at lower of amortized cost or fair value, with impairment recorded if amortized cost is greater than fair value. If amortized cost is greater than fair value, amortized cost is written down to fair value. Valuation is primarily determined by external pricing agencies over which management exercises oversight to ensure materially accurate valuations. The fair values of investments are based on quoted market prices, if available, or estimated using quoted market prices for similar investments. If listed prices or quotes are not available, fair value is based upon other observable inputs or models that primarily use market-based or independently sourced market parameters as inputs. In addition to market information, models also incorporate transaction details such as maturity. Fair value adjustments, including credit, liquidity and other factors, are included, as appropriate, to arrive at a fair value measurement.

Investments at statement value and estimated fair value at September 30, 2012 included (in thousands):

Notes to Financial Statement

September 30, 2012	Statement value	Estimated fair value	Level 1	Level 2	Level 3
Short-term investments:					
Money market funds	\$ 32,920	\$ 32,920	\$ —	\$ 32,920	\$ —
Total short-term investments	32,920	32,920	—	32,920	—
Bonds and other invested assets:					
U.S. Treasury and government-sponsored agencies	7,853	7,986	—	7,986	—
All other government bonds	18,665	19,118	—	19,118	—
Loan-backed and/or structured securities	11,922	12,013	—	12,013	—
Industrial and miscellaneous bonds	81,262	83,570	—	83,570	—
Total bonds and other invested assets	119,702	122,687	—	122,687	—
Total investments	\$ 152,622	\$ 155,607	\$ —	\$ 155,607	\$ —

21) Other Items

No significant changes from the 2011 annual statement.

22) Events Subsequent

In the fourth quarter of 2012, Health Plan issued a subordinated note (the Note) to Hospitals in the amount of \$15.0 million with interest payable annually at 7.5%. The Note is payable seven years from issuance and is due in October 2019. Health Plan has requested but not yet received formal approval to treat the \$15.0 million note in accordance with SSAP No. 41, *Surplus Notes*, for classification as a component of statutory net worth, but reasonably expects this approval.

23) Reinsurance

No significant changes from the 2011 annual statement.

24) Retrospectively Rated Contracts

No significant changes from the 2011 annual statement.

25) Change in Incurred Claims and Claim Adjustment Expenses

Analysis of claims activity as of and for the three months ended September 30, 2012 and the year ended December 31, 2011(in thousands):

	9/30/2012	12/31/2011
Claims Payable:		
Balance at Beginning of Period	\$34,498	\$37,106
Balance at End of Period	<u>26,057</u>	<u>34,498</u>
Change in Claims Payable - Increase (Decrease)	<u>(8,441)</u>	<u>(2,608)</u>
Incurred Claims:		
Insured Events of Current Year	357,370	506,630
Increase/(Decrease) Insured Events of Prior Year	<u>(834)</u>	<u>(1,153)</u>
Total Incurred Claims	<u>356,536</u>	<u>505,477</u>
Payment of Claims:		
Claims Incurred in Prior Years	32,819	35,230
Claims Incurred in Current Year	<u>332,158</u>	<u>472,855</u>
Total Claims Paid	<u>\$364,977</u>	<u>\$508,085</u>

No additional premiums or return premiums have been accrued as a result of the prior-year effects.

26) Intercompany Pooling Arrangements

No significant changes from the 2011 annual statement.

27) Structured Settlements

No significant changes from the 2011 annual statement.

28) Health Care Receivables

No significant changes from the 2011 annual statement.

29) Participating Policies

No significant changes from the 2011 annual statement.

30) Premium Deficiency Reserves

At September 30, 2012, Health Plan established premium deficiency reserves of \$26.1 million related to 2012 and 2013 expected losses on contracts. The liability was established based on evaluation of contracts at September 30, 2012. Anticipated investment income was utilized in the calculation of expected losses.

31) Anticipated Salvage and Subrogation

No significant changes from the 2011 annual statement.

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

Yes[X] No[] N/A[]
- 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?
If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes[] No[X]
- 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?
If yes, attach an explanation.

Yes[] No[] N/A[X]
- 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).

.....07/09/2012.....
- 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.
- 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?
(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[X] No[]
- 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:

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

\$.....0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[] No[X]
- 14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

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

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

Yes[] No[X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

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

Yes[X] No[]
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
Key Bank Association	PO Box 94718 Cleve OH 44114
State Street Bank and Trust Company	444 South Flower Street, 45th Floor, Los Angeles, California 90071

- 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, 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	2	3
Central Registration Depository	Name(s)	Address
104973	Wells Capital Management	525 Market St, 10th Fl, San Francisco, CA 94510

- 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	..... 103.000%
1.2 A&H cost containment percent	..... 1.000%
1.3 A&H expense percent excluding cost containment expenses	..... 11.000%
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)
			<div>NONE</div>			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

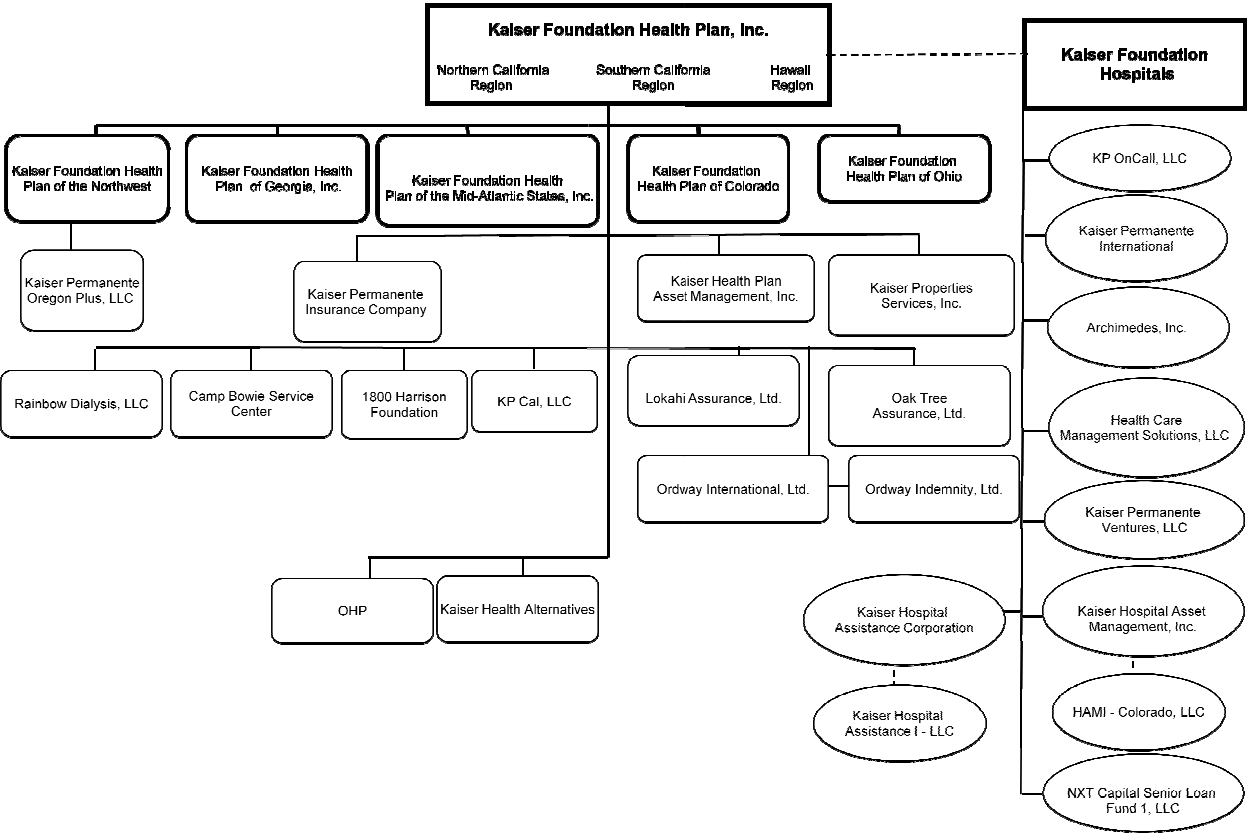
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	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	256,521,367	82,109,487		32,442,578			371,073,432	
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)	X X X								
59.	Subtotal	X X X	256,521,367	82,109,487		32,442,578			371,073,432	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	Total (Direct Business)	(a)..... 1	256,521,367	82,109,487		32,442,578			371,073,432	
DETAILS OF WRITE-INS										
5801.	.....	X X X								
5802.	.....	X X X								
5803.	.....	X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(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

KAISER FOUNDATION HEALTH PLAN, INC. AND KAISER FOUNDATION HOSPITALS
SUBSIDIARIES AND AFFILIATED CORPORATIONS
SEPTEMBER 30, 2012



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

916

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Comp- any Code	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domic- iliary Loca- tion	Relation- ship to Report- ing 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)	*
0601	KAISER FOUNDATION HEALTH PLAN INC.	95669	84-0591617				KAISER FOUNDATION HLTH PLAN OF Colorado	CO	NIA	KPHP	Ownership	100.0	KFHP	
0601	KAISER FOUNDATION HEALTH PLAN INC.	00000	03-0329760				Oak Tree Assurance, Ltd.	VT	OTH	KFHP	Ownership	100.0	KFHP	1
0601	KAISER FOUNDATION HEALTH PLAN INC.	95639	52-0954463				KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES INC.	MD	NIA	KFHP	Ownership	100.0	KFHP	
0601	KAISER FOUNDATION HEALTH PLAN INC.	96237	58-1592076				KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC.	GA	NIA	KFHP	Ownership	100.0	KFHP	
0601	KAISER FOUNDATION HEALTH PLAN INC.	95204	34-0922268				KAISER FOUNDATION HEALTH PLAN OF OHIO	OH		KFHP	Ownership	100.0	KFHP	
0601	KAISER FOUNDATION HEALTH PLAN INC.	00000	94-3299124				KAISER HEALTH PLAN ASSET MANAGEMENT, INC.	CA	NIA	KFHP	Ownership	100.0	KFHP	
0601	KAISER FOUNDATION HEALTH PLAN INC.	60053	94-3203402				KAISER PERMANENTE INS CO	CA	IA	KFHP	Ownership	100.0	KFHP	2
0601	KAISER FOUNDATION HEALTH PLAN INC.	00000	94-1340523				KAISER FOUNDATION HEALTH PLAN, INC. ("KFHP")	CA	UDP		Board of Directors		KFHP	
0601	KAISER FOUNDATION HEALTH PLAN INC.	95540	93-0798039				KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST ("KFHP-NW")	OR	NIA	KFHP	Ownership	100.0	KFHP	
	KAISER FOUNDATION HEALTH PLAN INC.	00000	94-3259432				KAISER PROPERTIES SERVICES, INC.	CA	NIA	KFHP	Ownership	100.0	KFHP	
	KAISER FOUNDATION HEALTH PLAN INC.	00000	93-0954562				KAISER HEALTH ALTERNATIVES	OR	NIA	KFHP	Ownership	100.0	KFHP	
	KAISER FOUNDATION HOSPITALS	00000	94-3245176				KAISER PERMANENTE INTERNATIONAL	CA	NIA	KFH	Ownership	100.0	KFH	
	KAISER FOUNDATION HOSPITALS	00000	94-3299125				KAISER HOSPITAL ASSET MANAGEMENT, INC.	CA	NIA	KFH	Ownership	100.0	KFH	
	KAISER FOUNDATION HEALTH PLAN, INC.	00000	94-3299123				CAMP BOWIE SERVICE CENTER	CA	NIA	KFHP	Ownership	100.0	KFHP	
	KAISER FOUNDATION HOSPITALS	00000	94-1105628				KAISER FOUNDATION HOSPITALS ("KFH")	CA	NIA		Board of Directors		KFH	
	KAISER FOUNDATION HEALTH PLAN, INC.	00000	91-2171891				LOKAHI ASSURANCE LTD	HI	OTH	KFHP	Ownership	100.0	KFHP	1
	KAISER FOUNDATION HEALTH PLAN INC.	00000	20-2712661				KP CAL, LLC	CA	NIA	KFHP	Ownership	100.0	KFHP	
	KAISER FOUNDATION HEALTH PLAN INC.	00000	90-0031974				ORDWAY INDEMNITY, LTD	BM	OTH	KFHP	Ownership	100.0	KFHP	1
	KAISER FOUNDATION HEALTH PLAN INC.	00000					ORDWAY INTERNATIONAL, LTD.	BM	OTH	KFHP	Ownership	100.0	KFHP	3
	KAISER FOUNDATION HEALTH PLAN INC.	00000	93-0480268				OHP	WA	NIA	KFHP	Ownership	100.0	KFHP	
	KAISER FOUNDATION HOSPITALS	00000	94-3299124				HAMI-COLORADO, LLC	DE	NIA	KAISER HOSPITAL ASSET MANAGEMENT, INC.	Management		KFH	
	KAISER FOUNDATION HEALTH PLAN INC.	00000	20-2396517				KAISER PERMANENTE OREGON PLUS, LLC	OR	NIA	KFHP-NW	Ownership	100.0	KFHP	
	KAISER FOUNDATION HOSPITALS	00000	20-3774729				ARCHIMEDES, INC.	CA	NIA	KFH	Board of Directors & Ownership (Majority)	94.9	KFH	4
	KAISER FOUNDATION HOSPITALS	00000	20-3924985				HEALTH CARE MANAGEMENT SOLUTIONS, LLC	CA	NIA	KFH	Ownership	83.0	KFH	5

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 Comp- any Code	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domic- iliary Loca- tion	Relation- ship to Report- ing 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)	*
.....	KAISER FOUNDATION HOSPITALS	00000	91-2166347 .....	.....	.....	.....	KP ONCALL, LLC	CA .....	.. NIA ..	KFH	Ownership .....	..... 100.0	KFH .....	.....
.....	KAISER FOUNDATION HEALTH PLAN INC.	00000	94-3317484 .....	.....	.....	.....	1800 HARRISON FOUNDATION KAISER PERMANENTE VENTURES, LLC - Series A	CA .....	.. NIA ..	KFHP	Board of Directors .....	.....	KFHP .....	.....
.....	KAISER FOUNDATION HOSPITALS	00000	27-2252521 .....	.....	.....	.....	RAINBOW DIALYSIS, LLC	DE .....	.. NIA ..	KFH	Ownership .....	..... 100.0	KFH	7
.....	KAISER FOUNDATION HEALTH PLAN INC.	00000	27-0473737 .....	.....	.....	.....	KAISER HOSPOITAL ASSISTANCE CORPORATION	DE .....	.. NIA ..	KFHP	Ownership .....	..... 100.0	KFHP .....	.....
.....	KAISER FOUNDATION HOSPITALS	00000	31-1779500 .....	.....	.....	.....	KAISER HOSPITAL ASSISTANCE I-LLC	CA .....	.. NIA ..	KFH	Ownership .....	..... 100.0	KFH .....	.....
.....	KAISER FOUNDATION HOSPITALS	00000	00-0000000 .....	.....	.....	.....	NXT CAPITAL SENIOR LOAN FUND1, LLC	CA .....	.. NIA ..	KFH	Ownership .....	..... 100.0	KFH .....	.....
.....	KAISER FOUNDATION HOSPITALS	00000	37-1651297 .....	.....	.....	.....	.....	DE .....	.. NIA ..	KFH	Ownership .....	..... 75.1	KFH	6

Q16.1

Asterisk	Explanation
0000001	Relation to reporting entity-captive insurance company controlled by KFHP
0000002	100% of preferred stock owned by KFHP, 50% of voting stock owned by KFHP and 50% owned by Permanente Medical Groups
0000003	Relation to reporting entity - holding company - holds 100% of the shares of Ordway Indemnity, Ltd.
0000004	Remaining ownership interest of 5.058% is held by The Permanente Federation LLC
0000005	KFH owns 100% of the preferred shares of HCMS. In addition, KFH owns 50% of the common shares and The Permanente Federation LLC owns the remaining 50% of the common shares of HCMS.
0000006	KFH and the Kaiser Permanente Group Trust are the Participation members of this LLC, and KFH owns 75.1% and Kaiser Permanente Group Trust owns 24.9%. Kaiser Foundation Health Plan, Inc. is the fiduciary of Kaiser Permanente Group Trust. NXT Capital Loan Servicing, LLC is the Designated member.
0000007	There is also a Series B with a different tax id #. No member of the Holding Company Group is an owner.

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
No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Workers Comp	2,821,830		2,821,830	3,343,248
2305. Rent Payable	459,353		459,353	352,448
2306. Pension Liability	38,874,961		38,874,961	42,653,372
2307. Medicare Reserves / Payables	23,213,375		23,213,375	25,796,375
2308.				
2309.				
2397. Summary of remaining write-ins for Line 23 (Lines 2304 through 2396)	65,369,519		65,369,519	72,145,443

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
	X X X			
0604.	X X X			
0605.	X X X			
0606.	X X X			
0607.	X X X			
0608.	X X X			
0609.	X X X			
0610.	X X X			
0611.	X X X			
0612.	X X X			
0613.	X X X			
0614.	X X X			
0697. Summary of remaining write-ins for Line 6 (Lines 0604 through 0696)	X X X			
1404. Medical Administration		52,901,215	50,532,398	70,726,079
1405. Other Benefits (Home Care, Hospice, Admn Excep, DME) excluding payroll		3,794,771	4,054,290	5,122,712
1406. Community Service		8,919,776	2,939,895	11,067,458
1407.				
1408.				
1409.				
1410.				
1411.				
1412.				
1413.				
1414.				
1497. Summary of remaining write-ins for Line 14 (Lines 1404 through 1496)		65,615,762	57,526,583	86,916,249

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
4704.			
4705.			
4706.			
4707.			
4708.			
4797. Summary of remaining write-ins for Line 47 (Lines 4704 through 4796)			

STATEMENT AS OF **September 30, 2012** OF THE **KAISER FOUNDATION HEALTH PLAN OF OHIO**
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	51,707,113	55,994,212
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	1,884,929	1,789,610
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	3,076,041	6,076,709
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	50,516,001	51,707,113
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	50,516,001	51,707,113

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

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	102,847,727	97,544,695
2. Cost of bonds and stocks acquired	60,069,600	52,422,609
3. Accrual of discount	70,564	82,464
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	752,017	510,170
6. Deduct consideration for bonds and stocks disposed of	43,515,495	46,509,800
7. Deduct amortization of premium	451,353	801,570
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	70,592	400,841
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	119,702,468	102,847,727
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	119,702,468	102,847,727

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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	106,737,328	86,223,666	64,108,537	(1,121,059)	128,203,846	106,737,328	127,731,398	119,509,551
2. Class 2 (a)	22,701,731	2,548,256	1,351,017	991,956	20,049,286	22,701,731	24,890,926	15,935,015
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	129,439,059	88,771,922	65,459,554	(129,103)	148,253,132	129,439,059	152,622,324	135,444,566
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	129,439,059	88,771,922	65,459,554	(129,103)	148,253,132	129,439,059	152,622,324	135,444,566

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

SCHEDULE DA - PART 1

Short - Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	32,919,856	X X X	32,919,857	432	

SCHEDULE DA - Verification

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	32,596,839	55,313,919
2.	Cost of short-term investments acquired	127,464,537	75,560,571
3.	Accrual of discount	434	3,850
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	127,141,954	98,281,501
7.	Deduct amortization of premium		
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)	32,919,856	32,596,839
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	32,919,856	32,596,839

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

SCHEDULE E - Verification
(Cash Equivalents)

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of cash equivalents acquired	20,198,460	
3.	Accrual of discount	1,540	
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	20,200,000	
7.	Deduct amortization of premium		
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)		
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)		

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Special Revenue, Special Assessment									
347622CB6	Fort Lauderdale Fl Spl Oblg 1.736% 01		09/20/2012	Citigroup Global Markets	X X X	1,025,000	1,025,000.00		1FE
57586NND9	Massachusetts St Hsg Fin Agy Ser D 1.0		09/14/2012	Morgan Keegan & Co.	X X X	1,500,000	1,500,000.00		1FE
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment					X X X	2,525,000	2,525,000.00		X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
03523TBM9	Anheuser-Busch Inbev Wor 0.800% 07/15/		07/11/2012	Barclays Capital Inc	X X X	1,097,987	1,100,000.00		1FE
06051GEB1	Bank of America Corp 4.500% 04/01/15		08/29/2012	STERNE AGEE & LEACH IN.	X X X	312,098	295,000.00	5,473	1FE
111320AD9	Broadcom Corp 2.375% 11/01/15		08/13/2012	Morgan Stanley Co	X X X	387,664	370,000.00	2,563	1FE
149123BY6	Caterpillar Inc 0.950% 06/26/15		09/06/2012	National Financial Services Co	X X X	1,159,177	1,150,000.00	2,276	1FE
20047GBP1	Commercial Mortgage Pass-Throu Ser 2004-		08/28/2012	MESIROW	X X X	579,995	565,159.00	2,465	1FM
202795HW3	Commonwealth Edison 1.625% 01/15/14		08/07/2012	US Bank NA	X X X	177,525	175,000.00	197	1FE
277432AM2	Eastman Chemical Co 2.400% 06/01/17		08/07/2012	Credit Suisse Securities	X X X	436,930	425,000.00	1,842	2FE
278642AG8	Ebay Inc 1.350% 07/15/17		07/19/2012	Credit Suisse Securities	X X X	1,823,960	1,825,000.00		1FE
38143USC6	Goldman Sachs Group Inc 3.625% 02/07/1		09/24/2012	Southwest Securities Inc	X X X	686,309	650,000.00	3,273	1FE
478160AY0	Johnson & Johnson 2.150% 05/15/16		08/28/2012	US Bank NA	X X X	578,644	550,000.00	3,482	1FE
50540RAK8	Laboratory Corp of America Hol 2.200%		08/20/2012	Credit Suisse Securities	X X X	469,027	470,000.00		2FE
58933YAB1	Merck & Co Inc 2.250% 01/15/16		08/28/2012	US Bank NA	X X X	1,050,430	1,000,000.00	2,875	1FE
64952WBE2	New York Life Global Fdg 144A 1.300% 0		07/12/2012	US Bank NA	X X X	1,011,830	1,000,000.00	181	1FE
65339KAF7	Nextera Energy Capital 1.200% 06/01/15		09/18/2012	Barclays Capital Inc	X X X	549,390	550,000.00		2FE
78403DAB6	SBA Tower Trust 144A 5.101% 04/17/17		08/07/2012	Barclays Capital Inc	X X X	2,212,300	2,000,000.00	6,801	1FE
913017BY4	United Technologies Corp 1.200% 06/01/		07/12/2012	US Bank NA	X X X	1,066,454	1,050,000.00	1,610	1FE
931422AG4	Walgreen Co 1.000% 03/13/15		09/10/2012	Goldman Sachs Co	X X X	519,360	520,000.00		2FE
942683AG8	Watson Pharmaceuticals Inc 1.875% 10/0		09/27/2012	Chase Securities	X X X	447,935	450,000.00		2FE
94973VAZ0	Wellpoint Inc 1.250% 09/10/15		09/05/2012	Citigroup Global Markets	X X X	389,840	390,000.00		2FE
380881BT8	Golden Credit Card Trust Series 2012-5A	A	09/25/2012	RBC Capital	X X X	1,169,874	1,170,000.00		1FE
78009CAA8	Royal Bank of Canada 144A 3.125% 04/14	A	09/04/2012	US Bank NA	X X X	1,065,160	1,000,000.00	12,413	1FE
20271RAA8	Commonwealth BK Austr Ny 1.950% 03/16/	F	07/12/2012	Citigroup Global Markets	X X X	1,161,650	1,150,000.00	7,537	1FE
654624AE5	Nippon Telegr & Teleph 1.400% 07/18/17	F	07/11/2012	Morgan Stanley Co	X X X	499,325	500,000.00		1FE
71645WAT8	Petrobras Intl Fin Co 3.875% 01/27/16	F	08/29/2012	US Bank NA	X X X	125,615	120,000.00	478	2FE
822582AR3	Shell International Fin 1.125% 08/21/1	F	08/14/2012	Morgan Stanley Co	X X X	1,789,650	1,800,000.00		1FE
961214BP7	Westpac Banking Corp 3.000% 12/09/15	F	08/07/2012	MESIROW	X X X	262,969	250,000.00	1,271	1FE
8399999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	21,031,098	20,525,159.00	54,737	X X X
8399997 Subtotal - Bonds - Part 3					X X X	23,556,098	23,050,159.00	54,737	X X X
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	23,556,098	23,050,159.00	54,737	X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X		X X X		X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	23,556,098	X X X	54,737	X X X

(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	2	3 F o r e i g n	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		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. Special Revenue, Special Assessment																					
645918D26	New Jersey Econ Dev Auth 2.382%																				
	09/01/		09/01/2012	Maturity	X X X	500,000	500,000.00	500,000	500,000						500,000				11,910	09/01/2012	1FE
759911S76	Regional Trans Auth Ill 2.843% 07/01/1		07/01/2012	Maturity	X X X	900,000	900,000.00	900,000	900,000						900,000				25,587	07/01/2012	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment				X X X	1,400,000	1,400,000.00	1,400,000	1,400,000						1,400,000				37,497	X X X	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
12513EAF1	Citigroup/Deutsche Bank Comm Ser																				
	2005-CD		09/01/2012	Paydown	X X X	25,659	25,659.00	26,987	26,885		(1,226)		(1,226)		25,659				904	07/01/2044	1FM
14912L5D9	Caterpillar Financial Services MTN 1.1		09/06/2012	US Bank NA	X X X	1,214,076	1,200,000.00	1,206,576			(447)		(447)		1,206,129		7,947	7,947	3,703	05/29/2015	1FE
20047AAD2	Commercial Mortgage Pass-Throu Ser																				
	2004-		09/01/2012	Paydown	X X X	6,413	6,413.00	6,715	6,663		(250)		(250)		6,413				201	03/10/2039	1FM
20047GBP1	Commercial Mortgage Pass-Throu Ser																				
	2004-		09/01/2012	Paydown	X X X	28,417	28,417.00	29,163		(746)		(746)			28,417				124	07/10/2037	1FM
26441CAE5	Duke Energy Corp 3.350% 04/01/15		08/23/2012	Loop Capital Markets Inc	X X X	401,333	380,000.00	385,664	384,501		(875)		(875)		383,626		17,707	17,707	11,563	04/01/2015	2FE
35671DAV7	Freepport-Mcmoran Copper & Gold																				
	1.400%		09/20/2012	Goldman Sachs Co	X X X	504,050	500,000.00	498,105		268		830	(562)		498,359		5,691	5,691	4,317	02/13/2015	2FE
36828QDN3	GE Capital Commercial Mortgage Ser																				
	2004-		09/01/2012	Paydown	X X X	8,782	8,782.00	9,149	9,074		(292)		(292)		8,782				269	11/10/2038	1FM
36828QRX6	GE Capital Commercial Mortgage Ser																				
	2006-		09/01/2012	Paydown	X X X	23,725	23,725.00	24,604	24,539		(814)		(814)		23,725				854	03/01/2044	1FM
50540RAK8	Laboratory Corp of America Hol 2.200%		09/06/2012	Various	X X X	475,178	470,000.00	469,027		5			5		469,032		6,146	6,146	398	08/23/2017	2FE
59023BAD6	Merrill Lynch Mortgage Trust Ser 2006-C1		09/01/2012	Paydown	X X X	8,835	8,835.00	9,376	9,340		(505)		(505)		8,835				337	05/01/2039	1FM
853254AF7	Standard Chartered Plc 144A 3.850% 04/	F	08/07/2012	Various	X X X	1,028,556	1,000,000.00	999,410	999,553		67		67		999,621		28,935	28,935	30,265	04/27/2015	1FE
88166CAA6	Teva Pharma Fin II/III 3.000% 06/15/15	F	09/17/2012	Citigroup Global Markets	X X X	381,870	360,000.00	363,514	362,921		(592)		(592)		362,328		19,542	19,542	8,250	06/15/2015	1FE
89153VAA7	Total Capital Intl Sa 1.500% 02/17/17	F	08/13/2012	Bonds.com	X X X	252,995	250,000.00	243,293		501		5,653	(5,152)		243,759		9,236	9,236	1,865	02/17/2017	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	4,359,889	4,261,831.00	4,271,583	1,823,476	(4,906)	6,483	(11,389)			4,264,685		95,204	95,204	63,050	X X X	X X X
8399997	Subtotal - Bonds - Part 4				X X X	5,759,889	5,661,831.00	5,671,583	3,223,476	(4,906)	6,483	(11,389)			5,664,685		95,204	95,204	100,547	X X X	X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	5,759,889	5,661,831.00	5,671,583	3,223,476	(4,906)	6,483	(11,389)			5,664,685		95,204	95,204	100,547	X X X	X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	5,759,889	X X X	5,671,583	3,223,476	(4,906)	6,483	(11,389)			5,664,685		95,204	95,204	100,547	X X X	X X X

(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			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
Citibank General 1078							(4,802,256)	(5,639,245)	(5,221,319)	X X X
Key Bank Concentration 1000							869,100	880,736	1,243,292	X X X
Misc Cash 1101 Key Bank							20,000,000	20,000,000	20,000,000	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository - open depositories			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X			16,066,844	15,241,490	16,021,974	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X			16,066,844	15,241,490	16,021,974	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X	35,396	35,396	35,396	X X X
0599999 Total Cash			X X X	X X X			16,102,240	15,276,886	16,057,370	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
8399999 Subtotals - Bonds
8499999 Sweep Accounts
8599999 Other Cash Equivalents
8699999 Total - Cash Equivalents

**INDEX TO HEALTH
QUARTERLY STATEMENT**

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11

Accounting Practices and Policies; Q5; Q10, Note 1

Admitted Assets; Q2

Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05

Bonuses; Q3; Q4; Q8; Q9

Borrowed Funds; Q3; Q6

Business Combinations and Goodwill; Q10, Note 3

Capital Gains (Losses)

 Realized; Q4

 Unrealized; Q4; Q5

Capital Stock; Q3; Q10, Note 13

Capital Notes; Q6; Q10, Note 11

Caps; QE06; QSI04

Cash; Q2; Q6; QE11

Cash Equivalents; Q2; Q6; QE12

Claims; Q3; Q4; Q8; Q9

Collars; QE06; QSI04

Commissions; Q6

Common Stock; Q2; Q3; Q6; Q11.1; Q11.2

Cost Containment Expenses; Q4

Contingencies; Q10, Note 14

Counterparty Exposure; Q10, Note 8; QE06; QE08

Debt; Q10, Note 11

Deferred Compensation; Q10, Note 12

Derivative Instruments; Q10, Note 8; QSI04; QSI05; QSI06; QSI07; QE06; QE07; QE08

Discontinued Operations; Q10, Note 4

Electronic Data Processing Equipment; Q2

Encumbrances; Q2; QSI01; QE01

Emergency Room; Q4

Expenses; Q3; Q4; Q6

Extinguishment of Liabilities; Q10, Note 17

Extraordinary Item; Q10, Note 21

Fair Value; Q7, Note 20

Fee for Service; Q4

Foreign Exchange; Q2; Q3; Q5; QSI01; QSI03; QE01; QE02; QE03; QE05

Forwards; QE06; QSI04

Furniture, Equipment and Supplies; Q2

Guaranty Fund; Q2

Health Care Receivables; Q2; Q9; Q10, Note 28

Holding Company; Q16

Hospital/Medical Benefits; Q4

Incentive Pools; Q3; Q4; Q8; Q9

Income; Q4; Q5; Q6

Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9

Incurred Claims and Claim Adjustment Expenses; Q10, Note 25

Intercompany Pooling; Q10, Note 26

Investment Income; Q10, Note 7

 Accrued; Q2

 Earned; Q2; QSI03

 Received; Q6

Investments; Q10, Note 5; Q11.1; Q11.2; QE08

Joint Venture; Q10, Note 6

Leases; Q10, Note 15

Limited Liability Company (LLC); Q10, Note 6

Limited Partnership; Q10, Note 6

Long-Term Invested Assets; Q2; QE03

Managing General Agents; Q10, Note 19

Medicare Part D Coverage; QSupp1

Member Months; Q4; Q7

Mortgage Loans; Q2; Q6; Q11.1; QSI01; QE02

Nonadmitted Assets; Q2; Q5; QSI01; QSI03

Off-Balance Sheet Risk; Q10, Note 16

Options; QE06; QSI04

Organizational Chart; Q11; Q14

Out-of-Area; Q4

Outside Referrals; Q4

Parent, Subsidiaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1

Participating Policies; Q10, Note 29

Pharmaceutical Rebates; Q10, Note 28

Policyholder Dividends; Q5; Q6

Postemployment Benefits; Q10, Note 12

Postretirement Benefits; Q10, Note 12

Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2

**INDEX TO HEALTH
QUARTERLY STATEMENT**

Premium Deficiency Reserves; Q10, Note 30

Premiums and Considerations

 Advance; Q3

 Collected; Q6

 Deferred; Q2

 Direct; Q7; Q13

 Earned; Q7

 Retrospective; Q2

 Uncollected; Q2

 Unearned; Q4

 Written; Q4; Q7

Prescription Drugs; Q4

Quasi Reorganizations; Q10, Note 13

Real Estate; Q2; Q6; QE01; QSI01

Redetermination, Contracts Subject to; Q10, Note 24

Reinsurance; Q9; Q10, Note 23

 Ceded; Q3; Q12

 Funds Held; Q2

 Payable; Q3

 Premiums; Q3

 Receivable; Q2; Q4

 Unauthorized; Q3; Q5

Reserves

 Accident and Health; Q3; Q4

 Claim; Q3; Q5; Q8

 Life; Q3

Retirement Plans; Q10, Note 12

Retrospectively Rated Policies; Q10, Note 24

Risk Revenue; Q4

Salvage and Subrogation; Q10, Note 31

Securities Lending; Q2; Q3; QE09; QE10

Servicing of Financial Assets; Q10, Note 17

Short-Term Investments; Q2; Q6; Q11.1; QSI03

Stockholder Dividends; Q5; Q6

Subsequent Events; Q10, Note 22

Surplus; Q3; Q5; Q6

Surplus Notes; Q3; Q5; Q6

Swaps; QE07; QSI04

Synthetic Assets; QSI04; QSI05

Third Party Administrator; Q10, Note 19

Treasury Stock; Q3; Q5

Uninsured Accident and Health; Q2; Q3; Q10, Note 18

Valuation Allowance; QSI01

Wash Sales; Q10, Note 17

Withholds; Q4; Q8