



QUARTERLY STATEMENT

AS OF MARCH 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

CARESOURCE

NAIC Group Code	3683	3683	NAIC Company Code	95201	Employer's ID Number	31-1143265
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	Ohio	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health []		Property/Casualty []		Hospital, Medical & Dental Service or Indemnity []	
	Dental Service Corporation []		Vision Service Corporation []		Health Maintenance Organization [X]	
	Other []				Is HMO, Federally Qualified? Yes [] No [X]	
Incorporated/Organized	06/12/1985		Commenced Business		10/01/1988	
Statutory Home Office	230 North Main Street		Dayton, OH, US 45402			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	230 North Main Street		Dayton, OH, US 45402		937-531-3300	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	PO Box 8738		Dayton, OH, US 45401-8738			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	230 North Main Street		Dayton, OH, US 45402		937-531-2159	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.caresource.com					
Statutory Statement Contact	Tarlton Thomas		937-531-2159			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	Tarlton.Thomas@caresource.com		937-396-3438			
	(E-mail Address)		(FAX Number)			

OFFICERS

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

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Pamela B. Morris	Michael E. Ervin M.D.	Ellen S. Leffak	Lisa Kloppenberg
William F. Marsteller D.C.	Morris L. Brown M.D.	David T. Miller	Craig Brown

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

Pamela B. Morris President & Chief Executive Officer	Bobby L. Jones Chief Operating Officer	L. Tarlton Thomas III Chief Financial Officer
a. Is this an original filing? Yes [X] No []		
b. If no:		
1. State the amendment number		
2. Date filed		
3. Number of pages attached		

Subscribed and sworn to before me this
day of ,
,

STATEMENT AS OF MARCH 31, 2013 OF THE CARESOURCE

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	497,397,404		497,397,404	411,976,135
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	54,652,808		54,652,808	49,730,592
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$(30,964,556)), cash equivalents (\$244,431,215) and short-term investments (\$73,205,333)	286,671,992		286,671,992	310,148,134
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	2,761,368	2,761,368	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	841,483,572	2,761,368	838,722,204	771,854,861
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	6,578,863		6,578,863	5,407,098
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	68,661,458		68,661,458	95,666,548
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	4,270,261		4,270,261	1,380,620
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$67,811,154) and other amounts receivable	73,051,373	5,240,219	67,811,154	61,630,584
25. Aggregate write-ins for other than invested assets	48,520	48,520	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	994,094,047	8,050,107	986,043,940	935,939,711
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	994,094,047	8,050,107	986,043,940	935,939,711
DETAILS OF WRITE-INS				
1101. Investment in CareSource Foundation	2,761,368	2,761,368	0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	2,761,368	2,761,368	0	0
2501. Prepaid Assets	48,520	48,520	0	0
2502.			0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	48,520	48,520	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$7,266,734 reinsurance ceded).....	303,255,762		303,255,762	303,312,703
2. Accrued medical incentive pool and bonus amounts	818,204		818,204	1,529,088
3. Unpaid claims adjustment expenses	7,130,340		7,130,340	6,895,453
4. Aggregate health policy reserves including the liability of \$ for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	2,312,193		2,312,193	1,973,952
9. General expenses due or accrued	90,849,691		90,849,691	74,639,151
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	5,454,267		5,454,267	10,712,128
16. Derivatives.....			0	0
17. Payable for securities	1,982,405		1,982,405	2,384,160
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	411,802,862	0	411,802,862	401,446,635
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		0
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	17,200,000	17,200,000
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	557,041,078	517,293,076
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	574,241,078	534,493,076
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	986,043,940	935,939,711
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001. Contributed Surplus (Land).....	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	2,674,262	2,644,187	10,851,256
2. Net premium income (including \$ non-health premium income).....	XXX	946,112,796	905,781,129	3,682,585,418
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0	0
4. Fee-for-service (net of \$ medical expenses)	XXX	0	0	0
5. Risk revenue	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues	XXX	2,737,368	0	20,885,155
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	948,850,164	905,781,129	3,703,470,573
Hospital and Medical:				
9. Hospital/medical benefits		570,808,102	568,957,298	2,268,748,757
10. Other professional services		9,770,912	8,947,866	38,603,201
11. Outside referrals		0	0	0
12. Emergency room and out-of-area		49,054,728	46,174,854	196,748,102
13. Prescription drugs		161,292,331	160,691,599	624,566,431
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		487,617	531,749	3,575,962
16. Subtotal (Lines 9 to 15)	0	791,413,690	785,303,366	3,132,242,453
Less:				
17. Net reinsurance recoveries		4,548,642	2,173,440	6,745,227
18. Total hospital and medical (Lines 16 minus 17)	0	786,865,048	783,129,926	3,125,497,226
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 15,244,781 cost containment expenses.....		18,794,874	14,248,595	69,729,398
21. General administrative expenses.....		108,222,180	95,810,967	401,506,678
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	913,882,102	893,189,488	3,596,733,302
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	34,968,062	12,591,641	106,737,271
25. Net investment income earned		3,442,322	3,261,598	12,881,006
26. Net realized capital gains (losses) less capital gains tax of \$.....		146,214	529,630	191,034
27. Net investment gains (losses) (Lines 25 plus 26)	0	3,588,536	3,791,228	13,072,040
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]	0	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	38,556,598	16,382,869	119,809,311
31. Federal and foreign income taxes incurred	XXX		0	0
32. Net income (loss) (Lines 30 minus 31)	XXX	38,556,598	16,382,869	119,809,311
DETAILS OF WRITE-INS				
0601. Pay for Performance Revenue (P4P).....	XXX	2,737,368	0	20,885,155
0602.	XXX		0	0
0603.	XXX		0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	2,737,368	0	20,885,155
0701.	XXX		0	0
0702.	XXX		0	0
0703.	XXX		0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.			0	0
1402.			0	0
1403.			0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901.			0	0
2902.			0	0
2903.			0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	534,493,076	414,714,825	414,714,825
34. Net income or (loss) from Line 32	38,556,598	16,382,869	119,809,311
35. Change in valuation basis of aggregate policy and claim reserves		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	4,230,424	4,505,078	6,186,053
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	0	0	0
39. Change in nonadmitted assets	(2,245,506)	(140,076)	(5,001,406)
40. Change in unauthorized and certified reinsurance	0	0	0
41. Change in treasury stock		0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles		0	0
44. Capital Changes:			
44.1 Paid in		0	0
44.2 Transferred from surplus (Stock Dividend)		0	0
44.3 Transferred to surplus		0	0
45. Surplus adjustments:			
45.1 Paid in		0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital	(793,514)	(2,122,805)	(1,215,708)
46. Dividends to stockholders	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	39,748,002	18,625,066	119,778,250
49. Capital and surplus end of reporting period (Line 33 plus 48)	574,241,078	433,339,891	534,493,076
DETAILS OF WRITE-INS			
4701.		0	0
4702.		0	0
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

STATEMENT AS OF MARCH 31, 2013 OF THE CARESOURCE

CASH FLOW

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	To Date	To Date	December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	962,597,952	909,574,071	3,673,859,135
2. Net investment income	3,922,923	2,607,405	14,141,222
3. Miscellaneous income	14,661,462	0	0
4. Total (Lines 1 to 3)	981,182,337	912,181,476	3,688,000,357
5. Benefit and loss related payments	797,763,110	835,145,428	3,188,937,271
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	111,637,547	108,706,452	467,212,109
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9)	909,400,657	943,851,880	3,656,149,380
11. Net cash from operations (Line 4 minus Line 10)	71,781,680	(31,670,404)	31,850,977
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	23,749,760	36,169,179	144,897,854
12.2 Stocks	2,694,960	5,946,325	29,418,530
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	1,750,000
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	26,862	14,560	(10,800)
12.7 Miscellaneous proceeds	0	0	2,384,160
12.8 Total investment proceeds (Lines 12.1 to 12.7)	26,471,582	42,130,065	178,439,743
13. Cost of investments acquired (long-term only):			
13.1 Bonds	110,682,011	43,667,836	242,608,704
13.2 Stocks	3,408,783	7,812,159	36,639,609
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	401,756	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	114,492,550	51,479,995	279,248,314
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(88,020,968)	(9,349,930)	(100,808,570)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	(2,000,000)	(2,026,346)	(2,086,954)
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	(5,236,854)	(1,071,442)	3,184,437
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(7,236,854)	(3,097,788)	1,097,483
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)	(23,476,142)	(44,118,123)	(67,860,110)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	310,148,134	378,008,244	378,008,244
19.2 End of period (Line 18 plus Line 19.1)	286,671,992	333,890,121	310,148,134

STATEMENT AS OF MARCH 31, 2013 OF THE CARESOURCE

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	891,565	.0	.0	.0	.0	.0	.0	1,381	887,015	3,169
2. First Quarter	899,161	.0	.0	.0	.0	.0	.0	1,295	894,416	3,450
3. Second Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Third Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	2,688,334	0	0	0	0	0	0	3,954	2,674,262	10,118
Total Member Ambulatory Encounters for Period:										
7. Physician	1,389,452	.0	.0	.0	.0	.0	.0	5,361	1,384,091	.0
8. Non-Physician	788,532	0	0	0	0	0	0	3,439	785,093	0
9. Total	2,177,984	0	0	0	0	0	0	8,800	2,169,184	0
10. Hospital Patient Days Incurred	128,362	0	0	0	0	0	0	961	127,401	0
11. Number of Inpatient Admissions	38,950	0	0	0	0	0	0	180	38,770	0
12. Health Premiums Written (a).....	950,345,521	.0	.0	.0	.0	.0	.0	4,788,651	944,956,840	600,030
13. Life Premiums Direct.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Property/Casualty Premiums Written .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Health Premiums Earned	950,345,521	.0	.0	.0	.0	.0	.0	4,788,651	944,956,840	600,030
16. Property/Casualty Premiums Earned .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. Amount Paid for Provision of Health Care Services	793,765,636	.0	.0	.0	.0	.0	.0	4,568,758	788,741,376	455,502
18. Amount Incurred for Provision of Health Care Services	791,413,690	0	0	0	0	0	0	4,174,473	786,639,187	600,030

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 4,788,651

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

[illegible]

STATEMENT AS OF MARCH 31, 2013 OF THE CARESOURCE

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....					.....0	.....0
2. Medicare Supplement .....					.....0	.....0
3. Dental only .....					.....0	.....0
4. Vision only .....					.....0	.....0
5. Federal Employees Health Benefits Plan .....					.....0	.....0
6. Title XVIII - Medicare .....	.....1,611,127	.....2,957,631	.....482,388	.....1,807,241	.....2,093,515	.....2,547,101
7. Title XIX - Medicaid .....	.....253,227,534	.....534,315,341	.....31,341,352	.....269,006,743	.....284,568,886	.....300,335,662
8. Other health .....	.....118,525	.....336,977	.....392,176	.....225,862	.....510,701	.....429,940
9. Health subtotal (Lines 1 to 8).....	.....254,957,186	.....537,609,949	.....32,215,916	.....271,039,846	.....287,173,102	.....303,312,703
10. Health care receivables (a) .....	.....(435,548)	.....6,568,313	.....0	.....0	.....(435,548)	.....0
11. Other non-health .....					.....0	.....0
12. Medical incentive pools and bonus amounts .....	.....975,150	.....223,351	.....682,753	.....135,451	.....1,657,903	.....1,529,088
13. Totals (Lines 9-10+11+12)	256,367,884	531,264,987	32,898,669	271,175,297	289,266,553	304,841,791

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

NOTES TO FINANCIAL STATEMENTS

1A. Summary of Significant Accounting Policies

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

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

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

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

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

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

No significant differences exist between prescribed or permitted practices by the State of Ohio and NAIC SAP which materially affect the statutory basis net income or capital and surplus, as illustrated in the table below.

NET INCOME	March 31, 2013	December 31, 2012
1) State of Ohio Basis	\$ 38,556,598	\$ 119,809,311
2) State prescribed practices that increase/(decrease) SAP	-	-
3) State permitted practices that increase/(decrease) SAP	-	-
4) NAIC SAP	\$ 38,556,598	\$ 119,809,311
SURPLUS		
1) State of Ohio Basis	\$ 574,241,078	\$ 534,493,076
2) State prescribed practices that increase/(decrease) SAP	-	-
3) State permitted practices that increase/(decrease) SAP	-	-
4) NAIC SAP	\$ 574,241,078	\$ 534,493,076

1B. Use of Estimates – No change

1C. Accounting Policy – No change

Reinsurance

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

	March 31, 2013	March 31, 2012
	Written & Earned Premiums	Written & Earned Premiums
Direct premiums	\$950,345,521	\$909,873,483
Ceded premiums		
Non-affiliates	(4,232,725)	(3,402,327)
Affiliates	(0)	(690,027)
Net premiums	\$946,112,796	\$905,781,129

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

NOTES TO FINANCIAL STATEMENTS

Significant Provider

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

As of March 31, 2013, PFK was paid \$71,289,139 for services rendered, prior to chargebacks of \$43,139,688. Chargebacks resulted from CS directly paying certain non-PFK providers under the contract. The CS membership capitated by the provider constituted approximately 18% of total CS membership in 2013 and 2012.

At March 31, 2013, CS recorded a capitation chargeback receivable from PFK for \$18,676,680.

- 2. Accounting Changes and Correction of Errors – None.
- 3. Business Combinations and Goodwill – None.
- 4. Discontinued Operations – None

5. Investments

- A. Mortgage Loans - None
- B. Debt Restructuring - None
- C. Reverse Mortgage - None
- D. Loan-Backed Securities:
 - (1) Prepayment Assumptions - None
 - (2) Securities with a recognized OTTI – None
 - (3) Securities by CUSIP with a recognized OTTI - None
 - (4) Impaired Securities without recognized OTTI – None
 - (5) Additional information –

Management regularly reviews the value of CS’s investments. If the value of any investment falls below its cost basis, the decline in value is analyzed to determine whether it is an other-than-temporary impairment. The decision to record an impairment loss incorporates both quantitative criteria and qualitative information. The Company considers a number of factors including, but not limited to: (a) the length of time and the extent to which the fair value has been less than book value, (b) the financial condition and near term prospects of the issuer, (c.i.) for non-interest-related declines in corporate and government bonds, the intent and ability of CS to retain its investment for a period of time sufficient to allow for any anticipated recovery in value, (c.ii.) for interest related declines in corporate and government bonds, the intent of CS to sell the investment at the reporting date, (c.iii.) for mortgage-backed securities, whether CS expects to recover the entire amortized cost basis of the security and whether CS has the intent to sell or intent and ability to hold the investments for a period of time sufficient to allow for any anticipated recovery in value, (d) whether the debtor is current on interest and principal payments, and (e) general market conditions and industry or sector specific factors. As of March 31, the Company holds \$6.4m of mortgage or other loan backed securities, none of which meet the criteria for impairment.

Non-mortgage backed investments that are impaired, for which other-than-temporary impairments have not been recognized, consist only of corporate securities and common stocks. The impairment of investments in corporate and government bonds has been deemed as temporary due to the assigned rating and the typical fluctuations of these particular securities in the marketplace; the Company does not intend to sell these securities and has the intent and ability to hold these investments until recovery with respect to non- credit-related declines. The impairment of investments in common stocks has been deemed as temporary due to the Company’s intent and ability to hold the securities to recovery.

All impaired securities (fair value less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a) The aggregate amount of unrealized losses	1. Less Than 12 Months	\$ 51,692
	2. 12 Months or Longer	\$ -
b) The aggregate amount of related fair value of securities with unrealized losses:	1. Less Than 12 Months	\$ 952,500
	2. 12 Months or Longer	\$ -

- E. Repurchase Agreements – None
- F. Real estate
 - (1) Impairment Losses – None.
 - (2) Sale of Real Estate – None.
 - (3) Change of Plans – None
 - (4) Retail Land Sales – None
 - (5) Real Estate with Mortgage Loans – None
- G. Low income housing - None

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies – None.
7. Investment Income – No change.
8. Derivative Instruments – None.
9. Income Taxes – Not applicable; tax exempt 501(c)3 organization.
10. Information Concerning Parent, Subsidiaries and Affiliates – No change.
11. Debt – None.
12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Other Post Retirement Benefit Plans – None.
13. Capital and Surplus, Distribution Restrictions and Quasi-Reorganizations – No change.
14. Contingencies – No change.
15. Leases – No change.
16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk – Not applicable.
17. Sale, transfer and servicing of financial assets and extinguishments of liabilities
 - a. Transfers of receivables reported as sales - None
 - b. Transfer and servicing of financial assets - None
 - c. Wash sales - None
18. Gain or Loss to the reporting entity for uninsured A&H plans and the uninsured portion of partially insured plans - No change.
19. Direct premium written/produced by managing general agents/third party administrator – Not applicable.
20. Fair Value Measurements –

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

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

- ☐ Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company's Level 1 assets and liabilities primarily include exchange-traded equity securities.
- ☐ Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.
- ☐ Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

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

Debt and Equity Securities

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

NOTES TO FINANCIAL STATEMENTS

Cash, Cash Equivalents, and Short-Term Investments

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

(1) Fair Value Measurements at Reporting Date

<u>Fair Value Measurements at March 31, 2013</u>	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
U.S Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	\$ 952,500	\$ -	\$ -	\$ 952,500
Hybrid Securities	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -
Total Bonds	\$ 952,500	\$ -	\$ -	\$ 952,500
Common Stock				
Industrial and Misc	\$ 54,652,808	\$ -	\$ -	\$ 54,652,808
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -
Total Common Stocks	\$ 54,652,808	\$ -	\$ -	\$ 54,652,808
Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	\$ 55,605,308	\$ -	\$ -	\$ 55,605,308

<u>Fair Value Measurements at December 31, 2012</u>	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
U.S Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	\$ 4,992,660	\$ -	\$ -	\$ 4,992,660
Hybrid Securities	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -
Total Bonds	\$ 4,992,660	\$ -	\$ -	\$ 4,992,660
Common Stock				
Industrial and Misc	\$ 49,730,592	\$ -	\$ -	\$ 49,730,592
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -
Total Common Stocks	\$ 49,730,592	\$ -	\$ -	\$ 49,730,592
Cash Equivalents	\$ 1,353,026	\$ -	\$ -	\$ 1,353,026
Total assets at fair value	\$ 56,076,278	\$ -	\$ -	\$ 56,076,278

The Company did not have any significant assets or liabilities measured at fair value on a nonrecurring basis as of March 31, 2013 or December 31, 2012. There were no transfers between Level 1 and Level 2 securities for the period ended March 31, 2013.

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy -- None
 - (3) CareSource recognizes transfers between fair value levels at the end of each reporting period.
 - (4) CareSource does not have any investments with fair value measurements categorized within Level 2 or Level 3 as of March 31, 2013.
 - (5) Derivative Assets/Liabilities – Not applicable
- B) Other Fair Value Measurements – Not applicable

NOTES TO FINANCIAL STATEMENTS

C) Aggregate Value of All Financial Instruments

December 31, 2012	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	514,619,614	497,397,404	514,619,614			
Common Stock	54,652,808	54,652,808	54,652,808			
Cash, Cash Equivalents, and Short-Term Investments	286,626,266	286,671,992	286,626,266			

December 31, 2012	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	430,861,043	411,976,135	430,861,043			
Common Stock	49,730,592	49,730,592	49,730,592			
Cash, Cash Equivalents, and Short-Term Investments	310,070,868	310,148,134	310,070,868			

D) Fair Value Not Estimable- Not applicable

21. Other Items – No change.
22. Events subsequent - Subsequent events have been considered through May 15, 2013 for the statutory statements issued on that date.

A. Type I – Recognized Subsequent Events – None
Type II – None.
23. Reinsurance – No change.
24. Retrospectively rated contracts & contracts subject to redetermination – None.
25. Change in Incurred Claims and Claims Adjustment Expenses Related to Prior Years

Reserves as of December 31, 2012 were \$304.8 million. As of March 31, 2013, \$256.4 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are \$32.9 million, therefore, there has been a \$15.5 million favorable prior-year development since December 31, 2012 to March 31, 2013. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$17.0 million of favorable prior year claim development, combined with \$1.5 million of unfavorable experience in recoveries.
26. Intercompany Pooling Arrangements – None
27. Structured Settlements - Not applicable
28. Health Care Receivables – No change.
29. Participating Policies - Not applicable
30. Premium Deficiency Reserves - Not deemed necessary.
31. Anticipated Salvage and Subrogation – No change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒
- 3.2

If the response to 3.1 is yes, provide a brief description of those changes.
.....
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

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

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

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2012
- 6.2

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

12/31/2009
- 6.3

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

03/04/2011
- 6.4

By what department or departments?
Ohio Department of Insurance.....
- 6.5

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

Yes ☒ No ☐ NA ☐
- 6.6

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

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 8.4

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

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

GENERAL INTERROGATORIES

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes [X] No []

9.11

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

9.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]

9.21

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

9.3

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

Yes [] No [X]

9.31

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

FINANCIAL

10.1

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

Yes [] No [X]

10.2

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

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:\$

13.

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

14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [] No [X]

14.2

If yes, please complete the following:

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

15.1

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

Yes [] No [X]

15.2

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

Yes [] No []

If no, attach a description with this statement.

GENERAL INTERROGATORIES

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

16.3 Total payable for securities lending reported on the liability page
- \$

\$

\$

17. 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 []

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

1 Name of Custodian(s)	2 Custodian Address
Citizens Bank aka Charter One.....	870 Westminster Street, RWR110, Providence, Rhode Island 02903.....
Fifth Third Bank.....	38 Fountain Square, Cincinnati, OH 45263.....
Huntington Bank.....	41 S. High St., Columbus, OH 43287.....
Charter One.....	1215 Superior Ave., Cleveland, OH 44114.....

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

Yes [X] No []

18.2 If no, list exceptions:
.....

GENERAL INTERROGATORIES
PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent.....	84.8 %
1.2 A&H cost containment percent	1.6 %
1.3 A&H expense percent excluding cost containment expenses.....	8.0 %
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.....	\$
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.....	\$

Showing All New Reinsurance Treaties - Current Year to Date

[illegible]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

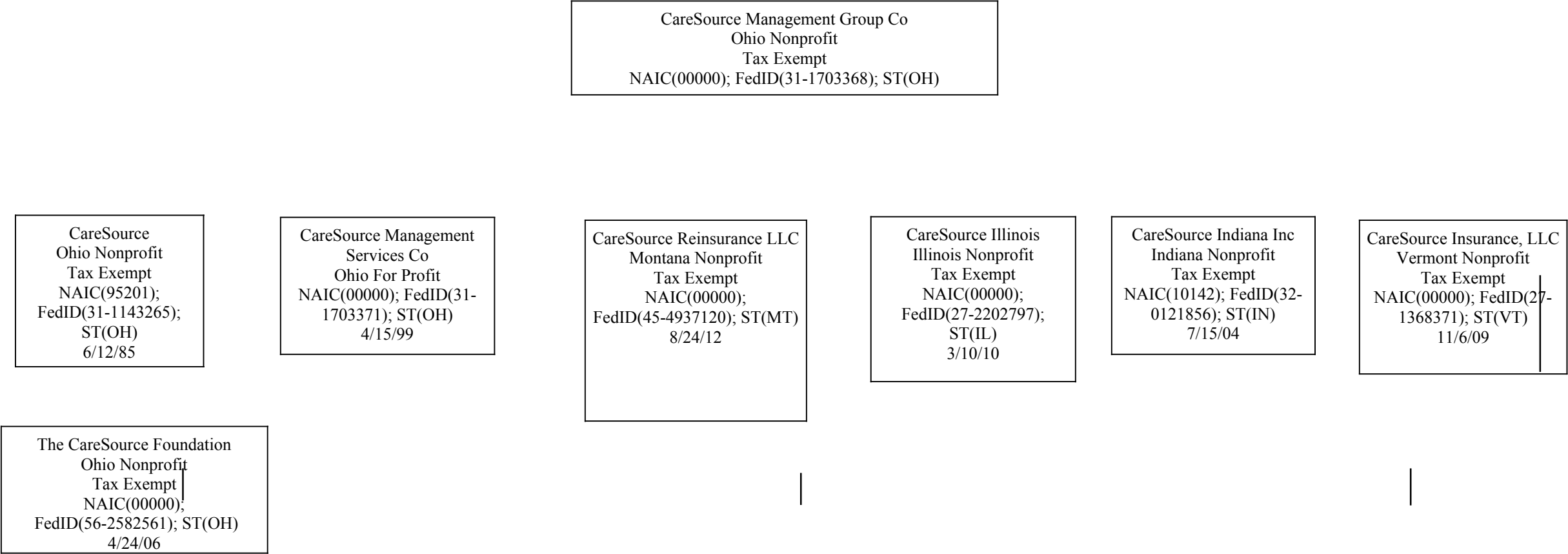
Current Year to Date - Allocated by States and Territories										
States, Etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama	AL	N						0		
2. Alaska	AK	N						0		
3. Arizona	AZ	N						0		
4. Arkansas	AR	N						0		
5. California	CA	N						0		
6. Colorado	CO	N						0		
7. Connecticut	CT	N						0		
8. Delaware	DE	N						0		
9. Dist. Columbia	DC	N						0		
10. Florida	FL	N						0		
11. Georgia	GA	N						0		
12. Hawaii	HI	N						0		
13. Idaho	ID	N						0		
14. Illinois	IL	N						0		
15. Indiana	IN	N						0		
16. Iowa	IA	N						0		
17. Kansas	KS	N						0		
18. Kentucky	KY	N						0		
19. Louisiana	LA	N						0		
20. Maine	ME	N						0		
21. Maryland	MD	N						0		
22. Massachusetts	MA	N						0		
23. Michigan	MI	N						0		
24. Minnesota	MN	N						0		
25. Mississippi	MS	N						0		
26. Missouri	MO	N						0		
27. Montana	MT	N						0		
28. Nebraska	NE	N						0		
29. Nevada	NV	N						0		
30. New Hampshire	NH	N						0		
31. New Jersey	NJ	N						0		
32. New Mexico	NM	N						0		
33. New York	NY	N						0		
34. North Carolina	NC	N						0		
35. North Dakota	ND	N						0		
36. Ohio	OH	L	600,030	4,788,651	944,956,840			950,345,521		
37. Oklahoma	OK	N						0		
38. Oregon	OR	N						0		
39. Pennsylvania	PA	N						0		
40. Rhode Island	RI	N						0		
41. South Carolina	SC	N						0		
42. South Dakota	SD	N						0		
43. Tennessee	TN	N						0		
44. Texas	TX	N						0		
45. Utah	UT	N						0		
46. Vermont	VT	N						0		
47. Virginia	VA	N						0		
48. Washington	WA	N						0		
49. West Virginia	WV	N						0		
50. Wisconsin	WI	N						0		
51. Wyoming	WY	N						0		
52. American Samoa	AS	N						0		
53. Guam	GU	N						0		
54. Puerto Rico	PR	N						0		
55. U.S. Virgin Islands	VI	N						0		
56. Northern Mariana Islands	MP	N						0		
57. Canada	CAN	N						0		
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	600,030	4,788,651	944,956,840	0	0	0	950,345,521	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0		
61. Total (Direct Business)	(a) 1	600,030	4,788,651	944,956,840	0	0	0	950,345,521	0	0
DETAILS OF WRITE-INS										
58001	XXX									
58002	XXX									
58003	XXX									
58998 Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0	0	0	0
58999 Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

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

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

CareSource Family of Companies
Corporate Structure

15



16

16

1616

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

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

.....NO.....

Explanation:

1. Coverage provided through the Medicare Advantage Program.

Bar Code:

1.



95201201336500001

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	2,100,000
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		(350,000)
5. Deduct amounts received on disposals		1,750,000
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

NONE

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	461,706,727	353,097,382
2. Cost of bonds and stocks acquired	114,090,794	279,248,314
3. Accrual of discount	50,369	211,654
4. Unrealized valuation increase (decrease)	4,230,424	6,186,054
5. Total gain (loss) on disposals	119,352	551,833
6. Deduct consideration for bonds and stocks disposed of	26,444,720	174,316,384
7. Deduct amortization of premium	1,702,733	3,272,126
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	552,050,212	461,706,727
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	552,050,212	461,706,727

STATEMENT AS OF MARCH 31, 2013 OF THE CARESOURCE

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	319,838,139	79,976,459	32,003,236	(9,703,519)	358,107,844	0	0	319,838,139
2. Class 2 (a).....	189,672,538	53,741,189	43,202,172	7,305,772	207,517,328	0	0	189,672,538
3. Class 3 (a).....	4,992,660	0	0	(15,094)	4,977,566	0	0	4,992,660
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	514,503,338	133,717,648	75,205,408	(2,412,841)	570,602,737	0	0	514,503,338
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	514,503,338	133,717,648	75,205,408	(2,412,841)	570,602,737	0	0	514,503,338

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

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	73,205,333	XXX	74,292,216	613,468	213,811

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	101,174,177	43,881,799
2. Cost of short-term investments acquired	23,035,637	145,247,400
3. Accrual of discount	14,750	130,222
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals	26,862	(10,800)
6. Deduct consideration received on disposals	50,251,862	85,339,257
7. Deduct amortization of premium.....	794,231	2,735,186
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	73,205,333	101,174,177
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	73,205,333	101,174,177

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E - VERIFICATION
(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	206,542,193	394,363,324
2. Cost of cash equivalents acquired	244,431,215	206,544,176
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals	206,542,193	394,363,324
7. Deduct amortization of premium	0	1,983
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	244,431,215	206,542,193
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	244,431,215	206,542,193

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF MARCH 31, 2013 OF THE CARESOURCE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator ^(a)
Bonds - Industrial and Miscellaneous (Unaffiliated)									
032654-AE-5	ANALOG DEVICES		01/23/2013	THE HUNTINGTON INVESTMENT COMPANY		3,142,163	2,950,000	11,063	1FE
03523T-BG-2	ANHEUSER-BUSCH INBEV WOR		02/12/2013	Not Provided		2,163,785	2,000,000	26,875	1FE
06366R-LS-2	BANK OF MONTREAL	A	02/15/2013	THE HUNTINGTON INVESTMENT COMPANY		5,000,000	5,000,000	0	
067901-AE-8	BARRICK GOLD CORP	A	01/17/2013	THE HUNTINGTON INVESTMENT COMPANY		4,060,000	4,000,000	10,306	2FE
14170T-AF-8	CAREFUSION CORP		02/15/2013	Not Provided		2,434,311	2,296,000	6,537	2FE
14912L-4V-0	CATERPILLAR FINANCIAL SE		01/29/2013	THE HUNTINGTON INVESTMENT COMPANY		1,723,460	1,700,000	4,610	1FE
233851-AG-9	DAIMLER FINANCE NA LLC		02/14/2013	VARIOUS		4,071,078	4,000,000	31,667	1FE
25459H-AL-9	DIRECTV HOLDINGS/FING		02/11/2013	THE HUNTINGTON INVESTMENT COMPANY		3,189,000	3,000,000	52,646	2FE
302182-AD-2	EXPRESS SCRIPTS HOLDING		02/11/2013	THE HUNTINGTON INVESTMENT COMPANY		2,391,650	2,229,000	22,832	2FE
33834F-AA-7	FIT WAL-MART STORES INC		02/22/2013	VARIOUS		7,500,000	7,500,000	0	
35177P-AS-6	FRANCE TELECOM	F	02/12/2013	NATIONAL FINANCIAL SERVICES CO		2,101,718	2,000,000	8,993	1FE
36962G-4C-5	GENERAL ELEC CAP CORP		01/29/2013	THE HUNTINGTON INVESTMENT COMPANY		4,277,000	4,000,000	51,133	1FE
370334-BL-7	GENERAL MILLS INC		01/17/2013	NATIONAL FINANCIAL SERVICES CO		1,725,141	1,700,000	4,904	2FE
375558-AR-4	GILEAD SCIENCES INC		02/06/2013	NATIONAL FINANCIAL SERVICES CO		4,129,089	4,000,000	18,667	2FE
38141G-NR-1	GOLDMAN SACHS GROUP INC		02/25/2013	NATIONAL FINANCIAL SERVICES CO		4,975,000	5,000,000	2,917	1FE
40432X-7F-2	HSBC USA INC		01/09/2013	THE HUNTINGTON INVESTMENT COMPANY		5,000,000	5,000,000	0	1FE
41283D-AC-7	HARLEY-DAVIDSON FUNDING		02/06/2013	NATIONAL FINANCIAL SERVICES CO		5,452,190	5,000,000	44,722	2FE
418056-AR-8	HASBRO INC		01/16/2013	THE HUNTINGTON INVESTMENT COMPANY		4,928,256	4,600,000	52,437	2FE
448055-AE-3	HUSKY ENERGY INC	A	01/23/2013	THE HUNTINGTON INVESTMENT COMPANY		3,214,800	3,000,000	21,142	2FE
494550-AS-5	KINDER MORGAN ENER PART		02/15/2013	NATIONAL FINANCIAL SERVICES CO		3,226,113	3,000,000	41,000	2FE
653522-DQ-2	NIAGARA MOHAWK POWER		02/15/2013	THE HUNTINGTON INVESTMENT COMPANY		4,770,588	4,556,000	62,951	1FE
655664-AM-2	NORDSTROM INC		01/17/2013	THE HUNTINGTON INVESTMENT COMPANY		2,168,340	2,000,000	19,500	1FE
666807-BB-7	NORTHROP GRUMMAN CORP		01/25/2013	THE HUNTINGTON INVESTMENT COMPANY		4,394,460	4,200,000	77,268	2FE
68389X-AF-2	ORACLE CORP		01/30/2013	NATIONAL FINANCIAL SERVICES CO		2,097,641	2,000,000	5,417	1FE
74432Q-AE-5	PRUDENTIAL FINANCIAL INC		02/11/2013	THE HUNTINGTON INVESTMENT COMPANY		2,136,420	2,000,000	40,800	2FE
771196-AQ-5	ROCHE HLDGS INC		01/14/2013	THE HUNTINGTON INVESTMENT COMPANY		1,682,805	1,604,000	30,298	1FE
78008S-WB-8	ROYAL BANK OF CANADA	A	03/18/2013	THE HUNTINGTON INVESTMENT COMPANY		5,000,000	5,000,000	0	1FE
91324P-AL-6	UNITEDHEALTH GROUP INC		03/26/2013	VARIOUS		3,727,004	3,500,000	16,458	1FE
94986R-NK-3	WELLS FARGO & COMPANY		02/22/2013	NATIONAL FINANCIAL SERVICES CO		5,000,000	5,000,000	0	1FE
94986R-NZ-0	WELLS FARGO & COMPANY		03/25/2013	THE HUNTINGTON INVESTMENT COMPANY		5,000,000	5,000,000	0	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						110,682,011	106,835,000	665,141	XXX
8399997 - Subtotals- Bonds - Part 3						110,682,011	106,835,000	665,141	XXX
8399999 - Subtotals - Bonds						110,682,011	106,835,000	665,141	XXX
Common Stocks - Mutual Funds									
015566-30-0	ALGER SPECTRA FUND-I		03/27/2013	NO BROKER	7,866.180	115,400		0	L
025076-10-0	AMER CENT EQUITY INCOME-INV		03/27/2013	NO BROKER	13,963.530	115,630		0	L
29875E-10-0	AMERICAN EUROPACIFIC GRTH-F2		03/27/2013	NO BROKER	2,042.480	86,540		0	L
316071-10-9	FIDELITY CONTRAFUND		03/27/2013	NO BROKER	1,414.290	115,400		0	L
316389-77-4	FIDELITY ADV S/C VALUE-I		03/27/2013	NO BROKER	4,818.250	86,540		0	L
411511-30-6	HARBOR INTERNATIONAL-INST		03/27/2013	NO BROKER	5,268.860	336,540		0	L
413838-20-2	OAKMARK INTERNATIONAL FD-I		03/27/2013	NO BROKER	15,073.460	336,540		0	L
446327-46-2	HUNTINGTON SITUS FUND-TRUST		03/27/2013	NO BROKER	3,391.910	86,540		0	L
464287-46-5	ISHARES MSCI EAFE INDEX FUND		03/27/2013	VARIOUS	1,969.000	115,451		0	L
464287-49-9	ISHARES RUSSELL MIDCAP INDEX		03/27/2013	VARIOUS	1,174.000	144,418		0	L
466000-54-4	IVY MID CAP GROWTH FUND-CL Y		03/27/2013	NO BROKER	4,239.550	86,540		0	L
47803W-40-6	JOHN HANCOCK III-DISC M/C-IS		03/27/2013	NO BROKER	5,986.850	86,540		0	L
552983-69-4	MFS VALUE FUND-I		03/27/2013	NO BROKER	4,192.090	115,679		0	L
741479-10-9	T ROWE PRICE GROWTH STK		03/27/2013	NO BROKER	2,900.080	115,400		0	L
74441C-80-8	PRUDENTIAL JENN M/C GROW-Z		03/27/2013	NO BROKER	2,511.570	86,540		0	L
76628R-67-2	RIDGEWORTH L/C VAL EQTY-I		03/27/2013	NO BROKER	7,508.670	115,400		0	L
779556-10-9	T ROWE PRICE MID CAP GR		03/27/2013	NO BROKER	1,418.820	86,540		0	L
779562-10-7	T ROWE PRICE NEW HORIZONS		03/27/2013	NO BROKER	2,386.430	86,540		0	L
780905-78-2	ROYCE SPECIAL EQUITY FUND-IV		03/27/2013	NO BROKER	3,861.000	86,540		0	L
885215-56-6	THORNBURG INTL VALUE FD-I		03/27/2013	NO BROKER	2,990.420	86,540		0	L
92206C-66-4	VANGUARD RUSSELL 2000		03/27/2013	VARIOUS	1,190.000	86,588		0	L
92206C-73-0	VANGUARD RUSSELL 1000		03/27/2013	VARIOUS	3,299.000	231,072		0	L
9299999 - Common Stocks - Mutual Funds						2,808,918	XXX	0	XXX
Common Stocks - Money Market Mutual Funds									

STATEMENT AS OF MARCH 31, 2013 OF THE CARESOURCE

SCHEDULE D - PART 3

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

[illegible]

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

E04.1

SCHEDULE D - PART 4

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
36202F-C6-1	RMBS - 62 4593		03/20/2013	Direct		117,040	117,040	121,374	121,185	0	(4,145)	0	(4,145)	0	117,040	0	0	0	773	12/20/2039	1
0599999 - Bonds - U.S. Governments						117,040	117,040	121,374	121,185	0	(4,145)	0	(4,145)	0	117,040	0	0	0	773	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128KU-B5-0	RMBS - FG A63820		03/15/2013	Direct		24,509	24,509	24,532	24,529	0	(20)	0	(20)	0	24,509	0	0	0	218	08/01/2037	1
31331J-BV-4	FEDERAL FARM CREDIT BANK		02/21/2013	Maturity		1,000,000	1,000,000	1,003,004	1,000,138	0	(138)	0	(138)	0	1,000,000	0	0	0	8,750	02/21/2013	1
31335H-UN-1	RMBS - FG C90589		03/15/2013	Direct		16,128	16,128	16,370	16,318	0	(190)	0	(190)	0	16,128	0	0	0	162	11/01/2022	1
313463-QY-9	FREDDIE MAC		03/15/2013	Redemption		3,000,000	3,000,000	2,995,500	2,995,740	0	60	0	60	0	2,995,800	0	4,200	4,200	45,000	03/15/2027	1
313463-SN-1	FREDDIE MAC		03/25/2013	Redemption		5,000,000	5,000,000	4,995,000	4,995,192	0	57	0	57	0	4,995,249	0	4,751	4,751	78,125	03/25/2032	1
31371K-KE-0	RMBS - FN 254193		03/25/2013	Direct		19,493	19,493	19,786	19,714	0	(221)	0	(221)	0	19,493	0	0	0	169	02/01/2022	1
31371N-H2-4	RMBS - FN 256849		03/25/2013	Direct		42,987	42,987	43,175	43,162	0	(175)	0	(175)	0	42,987	0	0	0	394	08/01/2037	1
31411N-WW-3	RMBS - FN 912461		03/25/2013	Direct		15,205	15,205	15,191	15,168	0	37	0	37	0	15,205	0	0	0	80	03/01/2037	1
31413T-LF-7	RMBS - FN 954926		03/25/2013	Direct		242,396	242,396	249,592	248,898	0	(6,502)	0	(6,502)	0	242,396	0	0	0	1,329	07/01/2037	1
31413T-NB-4	RMBS - FN 954986		03/25/2013	Direct		113,159	113,159	116,518	116,158	0	(2,999)	0	(2,999)	0	113,159	0	0	0	1,225	07/01/2037	1
31413T-ND-0	RMBS - FN 954988		03/25/2013	VARIOUS		824	824	849	846	0	(22)	0	(22)	0	824	0	0	0	9	07/01/2037	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						9,474,702	9,474,702	9,479,517	9,475,864	0	(10,113)	0	(10,113)	0	9,465,751	0	8,951	8,951	135,461	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
02666Q-F3-2	AMERICAN HONDA FINANCE		03/18/2013	Maturity		2,000,000	2,000,000	2,052,600	2,004,486	0	(4,486)	0	(4,486)	0	2,000,000	0	0	0	23,750	03/18/2013	1FE
031162-AQ-3	AMGEN INC.		02/01/2013	Maturity		1,110,120	1,000,000	983,200	998,907	0	1,093	0	1,093	0	1,000,000	0	110,120	110,120	1,875	02/01/2013	2FE
03523T-AR-9	ANHEUSER-BUSCH INBEV WOR		03/26/2013	Maturity		1,000,000	1,000,000	998,800	999,909	0	91	0	91	0	1,000,000	0	0	0	12,500	03/26/2013	1FE
302182-AD-2																					

E05

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

SCHEDULE E - PART 1 - CASH

E12

SCHEDULE E - PART 2 - CASH EQUIVALENTS

[illegible]