



QUARTERLY STATEMENT

AS OF JUNE 30, 2013
OF THE CONDITION AND AFFAIRS OF THE

CARESOURCE

NAIC Group Code	3683 (Current Period)	3683 (Prior Period)	NAIC Company Code	95201	Employer's ID Number	31-1143265	
Organized under the Laws of			Ohio	State of Domicile or Port of Entry			
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 (Street and Number)	Dayton, OH, US 45402 (City or Town, State, Country and Zip Code)					
Main Administrative Office	230 North Main Street (Street and Number)	Dayton, OH, US 45402 (City or Town, State, Country and Zip Code)	937-531-3300 (Area Code) (Telephone Number)				
Mail Address	PO Box 8738 (Street and Number or P.O. Box)	Dayton, OH, US 45401-8738 (City or Town, State, Country and Zip Code)					
Primary Location of Books and Records	230 North Main Street (Street and Number)	Dayton, OH, US 45402 (City or Town, State, Country and Zip Code)	937-531-2159 (Area Code) (Telephone Number)				
Internet Web Site Address	www.caresource.com						
Statutory Statement Contact	L. Tarlton Thomas III (Name)	937-531-2159 (Area Code) (Telephone Number) (Extension)					
	Tarlton.Thomas@caresource.com (E-mail Address)	937-396-3438 (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

State of Ohio
County of Montgomery

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

STATEMENT AS OF JUNE 30, 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	500,608,833		500,608,833	411,976,135
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	58,527,318		58,527,318	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 (\$ (821,565)), cash equivalents (\$ 177,371,971) and short-term investments (\$ 114,919,496)	291,469,902		291,469,902	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	1,890,146	1,890,146	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	852,496,199	1,890,146	850,606,053	771,854,861
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	6,872,218		6,872,218	5,407,098
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	77,400,854		77,400,854	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	309,041		309,041	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 (\$ 55,952,983) and other amounts receivable	59,578,426	3,625,443	55,952,983	61,630,584
25. Aggregate write-ins for other than invested assets	27,514	27,514	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	996,684,252	5,543,103	991,141,149	935,939,711
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	996,684,252	5,543,103	991,141,149	935,939,711
DETAILS OF WRITE-INS				
1101. Investment in CareSource Foundation	1,890,146	1,890,146	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)	1,890,146	1,890,146	0	0
2501. Prepaid Assets	27,514	27,514	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)	27,514	27,514	0	0

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 14,178,374 reinsurance ceded)	270,401,426		270,401,426	303,312,703
2. Accrued medical incentive pool and bonus amounts	430,379		430,379	1,529,088
3. Unpaid claims adjustment expenses	6,362,938		6,362,938	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	1,696,532		1,696,532	1,973,952
9. General expenses due or accrued	68,576,350		68,576,350	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	9,549,043		9,549,043	10,712,128
16. Derivatives			0	0
17. Payable for securities	58,014		58,014	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)	357,074,682		357,074,682	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	616,866,467	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	634,066,467	534,493,076
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	991,141,149	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.	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 AS OF JUNE 30, 2013 OF THE CARESOURCE

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	5,399,245	5,331,744	10,851,256
2. Net premium income (including \$ non-health premium income)	XXX	1,910,203,406	1,829,520,424	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	8,338,080	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	1,918,541,486	1,829,520,424	3,703,470,573
Hospital and Medical:				
9. Hospital/medical benefits		1,130,766,477	1,123,750,597	2,268,748,757
10. Other professional services		24,549,575	18,085,625	38,603,201
11. Outside referrals		0	0	0
12. Emergency room and out-of-area		98,286,768	94,554,371	196,748,102
13. Prescription drugs		324,282,541	314,269,992	624,566,431
14. Aggregate write-ins for other hospital and medical	.0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		968,726	1,293,993	3,575,962
16. Subtotal (Lines 9 to 15) .....	.0	1,578,854,087	1,551,954,578	3,132,242,453
Less:				
17. Net reinsurance recoveries		8,911,954	5,906,590	6,745,227
18. Total hospital and medical (Lines 16 minus 17) .....	.0	1,569,942,133	1,546,047,988	3,125,497,226
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 30,789,913 cost containment expenses.....		37,960,043	28,819,369	69,729,398
21. General administrative expenses.....		218,576,546	193,788,342	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	1,826,478,722	1,768,655,699	3,596,733,302
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	92,062,764	60,864,725	106,737,271
25. Net investment income earned		7,002,039	6,423,280	12,881,006
26. Net realized capital gains (losses) less capital gains tax of \$.....		194,779	640,731	191,034
27. Net investment gains (losses) (Lines 25 plus 26) .....	.0	7,196,818	7,064,011	13,072,040
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			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	99,259,582	67,928,736	119,809,311
31. Federal and foreign income taxes incurred	XXX		0	0
32. Net income (loss) (Lines 30 minus 31)	XXX	99,259,582	67,928,736	119,809,311
DETAILS OF WRITE-INS				
0601. Pay for Performance Revenue (P4P)	XXX	8,338,080	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	8,338,080	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 AS OF JUNE 30, 2013 OF THE CARESOURCE

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	534,493,076	414,714,825	414,714,825
34. Net income or (loss) from Line 32	99,259,582	67,928,736	119,809,311
35. Change in valuation basis of aggregate policy and claim reserves	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	5,149,894	2,303,034	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	261,498	(1,576,342)	(5,001,406)
40. Change in unauthorized and certified reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles	0	0	0
44. Capital Changes:			
44.1 Paid in	0	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0	0
44.3 Transferred to surplus	0	0	0
45. Surplus adjustments:			
45.1 Paid in	0	0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital	(1,644,104)	(422,427)	(1,215,708)
46. Dividends to stockholders	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus	(3,453,479)	0	0
48. Net change in capital and surplus (Lines 34 to 47)	99,573,391	68,233,001	119,778,250
49. Capital and surplus end of reporting period (Line 33 plus 48)	634,066,467	482,947,826	534,493,076
DETAILS OF WRITE-INS			
4701. Dividend In Kind to Parent Company	(3,453,479)	0	0
4702.	0	0	0
4703.	0	0	0
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)	(3,453,479)	0	0

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	1,921,860,736	1,808,221,049	3,673,859,135
2. Net investment income.....	9,115,726	6,701,002	14,141,222
3. Miscellaneous income.....	14,661,461	0	0
4. Total (Lines 1 to 3).....	1,945,637,923	1,814,922,051	3,688,000,357
5. Benefit and loss related payments.....	1,596,648,189	1,579,249,013	3,188,937,271
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	263,124,343	243,384,085	467,212,109
7. Commissions, expenses paid and aggregate write-ins for deductions.....	0	0	0
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).....	1,859,772,532	1,822,633,098	3,656,149,380
11. Net cash from operations (Line 4 minus Line 10).....	85,865,391	(7,711,047)	31,850,977
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	75,646,113	77,814,682	144,897,854
12.2 Stocks.....	10,660,550	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.....	28,312	14,560	(10,800)
12.7 Miscellaneous proceeds.....	0	0	2,384,160
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	86,334,976	83,775,567	178,439,743
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	167,556,744	107,297,464	242,608,704
13.2 Stocks.....	14,441,790	10,531,086	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.....	2,326,146	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	184,324,680	117,828,550	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).....	(97,989,704)	(34,052,982)	(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)	(2,045,020)	(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).....	(4,553,918)	(2,439,850)	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).....	(6,553,918)	(4,484,870)	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).....	(18,678,232)	(46,248,899)	(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).....	291,469,902	331,759,344	310,148,134

STATEMENT AS OF JUNE 30, 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							
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	906,910	0	.0	0	0	0	0	1,252	902,023	3,635
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	5,399,245	0	0	0	0	0	0	7,764	5,370,744	20,737
Total Member Ambulatory Encounters for Period:										
7. Physician	2,844,452	0	.0	0	0	0	0	11,250	2,833,202	0
8. Non-Physician	1,664,402	0	0	0	0	0	0	7,637	1,656,765	0
9. Total	4,508,854	0	0	0	0	0	0	18,887	4,489,967	0
10. Hospital Patient Days Incurred	241,427	0	0	0	0	0	0	1,848	239,579	0
11. Number of Inpatient Admissions	70,222	0	0	0	0	0	0	345	69,877	0
12. Health Premiums Written (a).....	1,918,518,095	0	.0	0	0	0	0	9,543,415	1,907,745,430	1,229,250
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	1,918,518,095	0	.0	0	0	0	0	9,543,415	1,907,745,430	1,229,250
16. Property/Casualty Premiums Earned	0	0	.0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services	1,614,063,649	0	.0	0	0	0	0	9,249,886	1,603,786,267	1,027,496
18. Amount Incurred for Provision of Health Care Services	1,578,854,087	0	0	0	0	0	0	8,393,655	1,569,231,112	1,229,321

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 9,543,415

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims unpaid (Reported)						
0199999 Individually listed claims unpaid.....	0	0	0	0	0	0
0299999 Aggregate accounts not individually listed-uncovered.....	0	0	0	0	0	0
0399999 Aggregate accounts not individually listed-covered	75,517,355	410,855	172,701	89,899	171,282	76,362,092
0499999 Subtotals	75,517,355	410,855	172,701	89,899	171,282	76,362,092
0599999 Unreported claims and other claim reserves	XXX	XXX	XXX	XXX	XXX	208,217,708
0699999 Total amounts withheld	XXX	XXX	XXX	XXX	XXX	0
0799999 Total claims unpaid	XXX	XXX	XXX	XXX	XXX	284,579,800
0899999 Accrued medical incentive pool and bonus amounts	XXX	XXX	XXX	XXX	XXX	430,379

STATEMENT AS OF JUNE 30, 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	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	.0	0	.0	.0
2. Medicare Supplement	0	.0	.0	0	.0	.0
3. Dental only	0	.0	.0	0	.0	.0
4. Vision only	0	.0	.0	0	.0	.0
5. Federal Employees Health Benefits Plan	0	.0	.0	0	.0	.0
6. Title XVIII - Medicare	1,836,765	7,413,121	(4,138)	1,961,602	1,832,627	2,547,101
7. Title XIX - Medicaid	283,503,298	1,318,215,534	(6,660,341)	274,411,200	276,842,957	300,335,662
8. Other health	127,240	900,256	392,176	300,926	519,416	429,940
9. Health subtotal (Lines 1 to 8).....	285,467,303	1,326,528,911	(6,272,303)	276,673,728	279,195,000	303,312,703
10. Health care receivables (a).....	(911,791)	11,023,321	0	0	(911,791)	0
11. Other non-health	0	.0	.0	0	0	.0
12. Medical incentive pools and bonus amounts	1,645,531	421,904	33,404	396,975	1,678,935	1,529,088
13. Totals (Lines 9-10+11+12)	288,024,625	1,315,927,494	(6,238,899)	277,070,703	281,785,726	304,841,791

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

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

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 Ohio Department of Insurance (ODI). The ODI requires that insurance companies domiciled in the State of Ohio prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners *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	June 30, 2013	December 31, 2012
1) State of Ohio Basis	\$ 99,259,582	\$ 119,809,311
2) State prescribed practices that increase/(decrease) SAP	-	-
3) State permitted practices that increase/(decrease) SAP	-	-
4) NAIC SAP	\$ 99,259,582	\$ 119,809,311
SURPLUS		
1) State of Ohio Basis	\$ 634,066,467	\$ 534,493,076
2) State prescribed practices that increase/(decrease) SAP	-	-
3) State permitted practices that increase/(decrease) SAP	-	-
4) NAIC SAP	\$ 634,066,467	\$ 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.

	June 30, 2013	June 30, 2012
	Written & Earned Premiums	Written & Earned Premiums
Direct premiums	\$1,918,518,095	\$1,837,924,302
Ceded premiums		
Non-affiliates	(8,314,689)	(7,713,851)
Affiliates	(0)	(690,027)
Net premiums	\$1,910,203,406	\$1,829,520,424

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 June 30, 2013, PFK was paid \$140,474,883 for services rendered, prior to chargebacks of \$89,771,392. 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 June 30, 2013, CS recorded a capitation chargeback receivable from PFK for \$16,015,869.

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 June 30, the Company holds \$5.8m 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	\$0
2. 12 Months or Longer	\$0

b) The aggregate amount of related fair value of securities with unrealized losses:

1. Less Than 12 Months	\$0
2. 12 Months or Longer	\$0

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 – Effective June 30, 2013, the CareSource Board of Directors authorized the issuance of a non-cash dividend in kind to parent company, CareSource Management Group, in the amount of \$3,453,479 for the settlement of balances related to the transfer of the CareSource headquarters building. In accordance with SSAP No. 72 Surplus and Quasi-Reorganizations, the transaction is reflected on Line 47 of the Statement of Revenue and Expenses.
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.

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

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 June 30, 2013</u>	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
U.S Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	\$ 972,500	\$ -	\$ -	\$ 972,500
Hybrid Securities	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -
Total Bonds	\$ 972,500	\$ -	\$ -	\$ 972,500
Common Stock				
Industrial and Misc	\$ 58,527,318	\$ -	\$ -	\$ 58,527,318
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -
Total Common Stocks	\$ 58,527,318	\$ -	\$ -	\$ 58,527,318
Cash Equivalents	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000
Total assets at fair value	\$ 65,499,818	\$ -	\$ -	\$ 65,499,818

Fair Value Measurements at December 31, 2012

	(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 June 30, 2013 or December 31, 2012. There were no transfers between Level 1 and Level 2 securities for the period ended June 30, 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 June 30, 2013.
- (5) Derivative Assets/Liabilities – Not applicable

B) Other Fair Value Measurements – Not applicable

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

NOTES TO FINANCIAL STATEMENTS

C) Aggregate Value of All Financial Instruments

June 30, 2013	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	507,053,897	500,608,833	507,053,897			
Common Stock	58,527,318	58,527,318	58,527,318			
Cash, Cash Equivalents, and Short-Term Investments	291,297,437	291,469,902	291,297,437			

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 August 15, 2013 for the statutory statements issued on that date.

A. Type I – Recognized Subsequent Events – None

Type II – Effective July 26, 2013, the CareSource Board of Directors approved a \$70 million dividend to parent company, CareSource Management Group. The transaction was reviewed by the Ohio Department of Insurance, and is expected to settle on August 23, 2013.

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 June 30, 2013, \$288.0 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0, and we expect to recover approximately \$6.2 million on previously paid claims, principally on Medicaid lines of insurance, therefore, there has been a \$23.0 million favorable prior-year development since December 31, 2012 to June 30, 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 \$24.4 million of favorable prior year claim development, combined with \$1.4 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.

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

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

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

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

2.2 If yes, date of change:

3.1 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

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 [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 [X] 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 [X] No [] NA []

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [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

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

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? Yes [X] No []

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

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

.....

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

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

.....

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

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

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

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

If no, attach a description with this statement.

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

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 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

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 No

18.2 If no, list exceptions:

.....

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

GENERAL INTERROGATORIES
PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent.....	83.8 %
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
2.4 If yes, please provide the balance of the funds administered as of the reporting date.....	\$ _____

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 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 1,229,250	9,543,415	1,907,745,430	0	0	0	1,918,518,095	0
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 1,229,250	9,543,415	1,907,745,430	0	0	0	1,918,518,095	0
60. Reporting entity contributions for Employee Benefit Plans		XXX						0	
61. Total (Direct Business)	(a) 1	1,229,250	9,543,415	1,907,745,430	0	0	0	1,918,518,095	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
58999	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX 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

Corporate Structure

CareSource Management Group Co
Ohio Nonprofit
Tax Exempt
NAIC(00000); FedID(31-1703368); ST(OH)

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CareSource
Ohio Nonprofit
Tax Exempt
NAIC(95201);
FedID(31-1143265);
ST(OH)
6/12/85

CareSource Management
Services Co
Ohio For Profit
NAIC(00000); FedID(31-
1703371); ST(OH)
4/15/99

CareSource Reinsurance LLC
Montana Nonprofit
Tax Exempt
NAIC(00000);
FedID(45-4937120); ST(MT)
8/24/12

CareSource Illinois
Illinois Nonprofit
Tax Exempt
NAIC(00000);
FedID(27-2202797);
ST(IL)
3/10/10

CareSource Indiana Inc
Indiana Nonprofit
Tax Exempt
NAIC(10142); FedID(32-
0121856); ST(IN)
7/15/04

CareSource Insurance, LLC
Vermont Nonprofit
Tax Exempt
NAIC(13717); FedID(27-
1368371); ST(VT)
11/6/09

The CareSource Foundation
Ohio Nonprofit
Tax Exempt
NAIC(00000);
FedID(56-2582561); ST(OH)
4/24/06

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

The CareSource Board of Trustees controls both CareSource, the reporting entity, and CareSource Foundation. The CareSource Management Group Co Board of Trustees controls CareSource Management Group Co. CareSource Management Group Co. controls CSI, CS Insurance LLC, and CareSource Reinsurance, LLC.

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

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.

Bar Code:

1.



OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	2,100,000
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	(350,000)
5. Deduct amounts received on disposals	0	1,750,000
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	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 Year To Date	2 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	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	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	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 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	181,998,533	279,248,314
3. Accrual of discount	100,418	211,654
4. Unrealized valuation increase (decrease)	5,149,894	6,186,054
5. Total gain (loss) on disposals	166,468	551,833
6. Deduct consideration for bonds and stocks disposed of	86,306,664	174,316,384
7. Deduct amortization of premium	3,679,224	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)	559,136,151	461,706,727
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	559,136,151	461,706,727

STATEMENT AS OF JUNE 30, 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).....	358,107,844	50,872,275	39,760,760	1,942,588	358,107,844	371,161,946	0	319,838,139
2. Class 2 (a).....	207,517,328	81,102,266	34,060,967	(5,164,743)	207,517,328	249,393,884	0	189,672,538
3. Class 3 (a).....	4,977,566	0	4,000,000	(5,066)	4,977,566	972,500	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	570,602,737	131,974,540	77,821,727	(3,227,220)	570,602,737	621,528,330	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	570,602,737	131,974,540	77,821,727	(3,227,220)	570,602,737	621,528,330	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 \$

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STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

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	114,919,496	XXX	116,612,486	972,332	834,615

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.....	101,174,177	43,881,799
2. Cost of short-term investments acquired	92,054,985	145,247,400
3. Accrual of discount	14,750	130,222
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals	28,312	(10,800)
6. Deduct consideration received on disposals	76,318,030	85,339,257
7. Deduct amortization of premium.....	2,034,697	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).....	114,919,496	101,174,177
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	114,919,496	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

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

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	177,452,431	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	206,539,167	394,363,324
7. Deduct amortization of premium	83,486	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)	177,371,971	206,542,193
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	177,371,971	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 JUNE 30, 2013 OF THE CARESOURCE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous (Unaffiliated)									
.032095-AA-9.	AMPHENOL CORP.		.05/31/2013	NATIONAL FINANCIAL SERVICES CO.	3,089,652		2,920,000	.7,706	2FE
.064159-CG-9.	BANK OF NOVA SCOTIA	L	.06/10/2013	THE HUNTINGTON INVESTMENT COMPANY		10,000,000		0	1FE
.14170T-AF-8.	CAREFUSION CORP.		.05/21/2013	NATIONAL FINANCIAL SERVICES CO.	1,849,660		1,760,000	28,313	2FE
.20030N-AB-7.	COMCAST CORP.		.04/01/2013	Adjustment	5,525,279		5,000,000	70,417	1FE
.278865-AJ-9.	ECOLAB INC.		.05/24/2013	NATIONAL FINANCIAL SERVICES CO.	2,052,780		2,000,000	22,694	2FE
.29250N-AC-9.	ENBRIDGE INC.	J	.05/06/2013	THE HUNTINGTON INVESTMENT COMPANY	5,283,450		5,000,000	116,000	2FE
.33834J-AA-9.	FIT AT&T 2013-E.		.04/12/2013	VARIOUS		10,000,000		0	1FE
.33834K-AA-6.	FIT ASTRAZENECA 2013-G.		.06/01/2013	Adjustment	5,000,000		5,000,000	0	1FE
.448055-AE-3.	HUSKY ENERGY INC.	L	.05/22/2013	Not Provided	5,274,313		5,000,000	133,569	2FE
.654742-AB-1.	NISSAN MOTOR ACCEPTANCE		.04/01/2013	Adjustment	3,208,044		3,000,000	23,625	2FE
.78573A-AD-2.	SABMILLER HOLDINGS INC.		.04/01/2013	Adjustment	1,021,777		1,000,000	4,008	2FE
.842587-CE-5.	SOUTHERN CO.		.05/07/2013	NATIONAL FINANCIAL SERVICES CO.	2,439,078		2,350,000	47,408	1FE
.94973V-AG-2.	WELLPOINT INC.		.05/31/2013	NATIONAL FINANCIAL SERVICES CO.	2,130,700		2,000,000	47,222	2FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						56,874,733	55,030,000	500,962	XXX
8399997 - Subtotals- Bonds - Part 3						56,874,733	55,030,000	500,962	XXX
8399999 - Subtotals - Bonds						56,874,733	55,030,000	500,962	XXX
Common Stocks - Mutual Funds									
.015566-30-0.	ALGER SPECTRA FUND-I.		.06/26/2013	NO BROKER	9,839,820	.150,020		0	L
.025076-10-0.	AMER CENT EQUITY INCOME-INV.		.06/26/2013	NO BROKER	17,388,240	.150,425		0	L
.29875E-10-0.	AMERICAN EUROPACIFIC GRTH-F2.		.06/26/2013	NO BROKER	2,808,340	.121,155		0	L
.316071-10-9.	FIDELITY CONTRAFUND		.06/26/2013	NO BROKER	1,749,480	.150,020		0	U
.316389-77-4.	FIDELITY ADV S/C VALUE-I.		.06/26/2013	NO BROKER	6,015,920	.112,502		0	L
.353533-88-8.	FRANKLIN INTER SM CP GRW-ADV		.06/26/2013	NO BROKER	144,604,950	2,608,654		0	L
.411511-30-6.	HARBOR INTERNATIONAL-INST		.06/26/2013	NO BROKER	1,869,940	.121,155		0	L
.413838-20-2.	OAKMARK INTERNATIONAL FD-I.		.06/26/2013	NO BROKER	5,201,540	.121,155		0	L
.446327-46-2.	HUNTINGTON SITUS FUND-TRUST		.06/26/2013	NO BROKER	4,418,410	.112,502		0	L
.464287-46-5.	ISHARES MSCI EAFE INDEX FUND		.06/26/2013	VARIOUS	2,479,000	.150,392		0	L
.464287-49-9.	ISHARES RUSSELL MIDCAP INDEX		.06/26/2013	VARIOUS	1,446,000	.187,515		0	L
.466000-54-4.	IVY MID CAP GROWTH FUND-CL Y		.06/26/2013	NO BROKER	5,402,030	.112,502		0	L
.47803W-40-6.	JOHN HANCOCK 111-DISC M/C-IS		.06/26/2013	NO BROKER	7,407,450	.112,502		0	L
.552983-69-4.	MFS VALUE FUND-I		.06/26/2013	NO BROKER	5,102,170	.150,020		0	L
.741479-10-9.	T. ROWE PRICE GROWTH STK		.06/26/2013	NO BROKER	3,597,440	.150,020		0	U
.74441C-80-8.	PRUDENTIAL JENN M/C GROW-Z		.06/26/2013	NO BROKER	3,170,880	.112,502		0	L
.76628R-67-2.	RIDGEWORTH L/C VAL EOTY-I.		.06/26/2013	NO BROKER	9,273,900	.150,020		0	L
.779556-10-9.	T. ROWE PRICE MID CAP GR		.06/26/2013	NO BROKER	1,761,440	.112,502		0	L
.779562-10-7.	T. ROWE PRICE NEW HORIZONS		.06/26/2013	NO BROKER	2,924,790	.112,502		0	U
.780905-78-2.	ROYCE SPECIAL EQUITY FUND-IV		.06/26/2013	NO BROKER	4,853,230	.112,502		0	L
.885215-56-6.	THORNBURG INTL VALUE FD-I		.05/29/2013	NO BROKER	2,641,460	.77,886		0	L
.92206C-66-4.	VANGUARD RUSSELL 2000		.06/26/2013	SIBI - DIRECTED NON SOFT DOLLAR	1,480,000	.112,586		0	L
.92206C-73-0.	VANGUARD RUSSELL 1000		.06/26/2013	SIBI - DIRECTED NON SOFT DOLLAR	4,057,000	.300,227		0	L
9299999 - Common Stocks - Mutual Funds						5,601,265	XXX	0	XXX
Common Stocks - Money Market Mutual Funds									
.608993-40-8.	HUNTINGTON MONEY MARKET FUND IV	E	.06/28/2013	Direct	5,431,741,140	5,431,741		0	V
9399999 - Common Stocks - Money Market Mutual Funds						5,431,741	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						11,033,006	XXX	0	XXX
9799999 - Subtotals - Common Stocks						11,033,006	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						11,033,006	XXX	0	XXX
9999999 Totals						67,907,739	XXX	500,962	XXX

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

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter					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. Governments																							
36202F-C6-1...	RMBS - G2 4593,.....	06/20/2013..	Direct		82,165	82,165	85,208	85,075	0	(2,910)	0	(2,910)	0	82,165	0	0	0	0	1,509	12/20/2039..	1...		
38374V-ZM-4...	CMO/RMBS - GNR 2009-54 NB	06/20/2013..	Direct	195,875	195,875	201,567	199,828	0	(3,953)	0	(3,953)	0	195,875	0	0	0	0	4,202	06/20/2037..	1...			
0599999 - Bonds - U.S. Governments				278,040	278,040	286,775	284,903	0	(6,863)	0	(6,863)	0	278,040	0	0	0	0	5,712	XXX	XXX			
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																							
533883-LE-2...	LINCOLN CONS SD-RF-TX	05/01/2013..	Maturity		815,000	815,000	815,000	815,000	0	0	0	0	0	0	0	0	0	0	0	12,225	05/01/2013..	1FE...	
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				815,000	815,000	815,000	815,000	0	0	0	0	0	0	0	0	0	0	0	0	12,225	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-C5-0...	RMBS - FG A63820,.....	06/17/2013..	Direct		19,272	19,272	19,290	19,288	0	(16)	0	(16)	0	19,272	0	0	0	0	453	08/01/2037..	1...		
31335V-UN-1...	RMBS - FG C90589,.....	06/17/2013..	Direct		15,455	15,455	15,687	15,637	0	(182)	0	(182)	0	15,455	0	0	0	0	378	11/01/2022..	1...		
3136GO-AS-0...	FANNIE MAE	04/19/2013..	Redemption		11,515,000	11,515,000	11,515,000	11,515,000	0	0	0	0	0	11,515,000	0	0	0	0	172,725	04/19/2027..	1...		
3136GO-DY-4...	FANNIE MAE	04/26/2013..	Redemption		3,000,000	3,000,000	3,000,000	3,000,000	0	0	0	0	0	3,000,000	0	0	0	0	45,000	04/26/2032..	1...		
31371K-KE-0...	RMBS - FN 254193,.....	06/25/2013..	Direct		22,785	22,785	23,127	23,044	0	(258)	0	(258)	0	22,785	0	0	0	0	568	02/01/2022..	1...		
31371N-H2-4...	RMBS - FN 256849,.....	06/25/2013..	Direct		26,837	26,837	26,954	26,946	0	(109)	0	(109)	0	26,837	0	0	0	0	667	08/01/2037..	1...		
31411N-WW-3...	RMBS - FN 912461,.....	06/25/2013..	Direct		19,160	19,160	19,142	19,113	0	(47)	0	(47)	0	19,160	0	0	0	0	456	03/01/2037..	1...		
31413T-LF-7...	RMBS - FN 954926,.....	06/25/2013..	Direct		227,509	227,509	234,263	233,612	0	(6,103)	0	(6,103)	0	227,509	0	0	0	0	6,718	07/01/2037..	1...		
31413T-NB-4...	RMBS - FN 954986,.....	06/25/2013..	Direct		295	295	303	302	0	(8)	0	(8)	0	295	0	0	0	0	8	07/01/2037..	1...		
31413T-ND-0...	RMBS - FN 954988,.....	06/25/2013..	Direct		841	841	866	864	0	(23)	0	(23)	0	841	0	0	0	0	23	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				14,847,155	14,847,155	14,854,634	14,853,806	0	(6,651)	0	(6,651)	0	14,847,155	0	0	0	0	226,997	XXX	XXX			
Bonds - Industrial and Miscellaneous (Unaffiliated)																							
013716-AS-4...	TRIO TINTO ALCAN INC.	A	05/15/2013..	Maturity				2,796,000	2,796,000	2,919,982	2,836,770	0	(40,770)	0	0	2,796,000	0	0	0	0	62,910	05/15/2013..	1FE...
0258MO-CW-7...	AMER EXPRESS CREDIT CO.	A	05/02/2013..	Maturity				5,000,000	5,000,000	5,268,498	5,084,991	0	(84,991)	0	0	5,000,000	0	0	0	0	146,875	05/02/2013..	1FE...
032654-AE-5...	ANALOG DEVICES, INC.	A	06/06/2013..	Redemption				3,089,948	2,950,000	3,142,163	0	0	(47,904)	0	0	3,094,259	0	0	0	0	63,507	07/01/2014..	1FE...
03938L-AC-8...	ARCELORMITTAL	R	06/03/2013..	Maturity				4,000,000	4,000,000	4,160,000	4,040,160	21,888	(62,048)	0	0	4,000,000	0	0	0	0	107,500	06/01/2013..	3FE...
054303-AQ-5...	AVON PRODUCTS, INC.	A	05/15/2013..	Maturity				5,000,000	5,000,000	5,165,900	5,057,391	0	(57,391)	0	0	5,000,000	0	0	0	0	115,625	05/15/2013..	2FE...
191219-BT-0...	COCA-COLA REFRESH USA	A	04/05/2013..	Redemption				2,122,380	2,000,000	2,181,520	2,160,603	0	(35,505)	0	0	2,125,098	0	0	0	0	(2,718)	03/03/2014..	1FE...
302570-BA-3...	NEXTERA ENERGY CAPITAL, INC.	A	06/17/2013..	Maturity				1,400,000	1,400,000	1,522,500	1,416,853	0	(16,853)	0	0	1,400,000	0	0	0	0	37,450	06/15/2013..	2FE...
38143U-6J-5...	GOLDMAN SACHS GROUP INC.	A	05/28/2013..	Redemption				3,000,000	3,000,000	3,000,000	0	0	0	0	0	0	0	0	0	90,000	08/28/2027..	1FE...	
427866-AQ-1...	HERSHEY COMPANY	A	04/01/2013..	Maturity				1,950,000	1,950,000	2,141,317	1,968,702	0	(18,702)	0	0	1,950,000	0	0	0	0	48,750	04/01/2013..	1FE...
666807-BB-7...	NORTHROP GRUMMAN CORP.	A	06/27/2013..	Redemption				4,351,410	4,200,000	4,394,460	4,200,000	0	(52,391)	0	0	4,342,069	0	9,341	0	0	140,723	08/01/2014..	2FE...
677347-CB-0...	OHIO EDISON	A	06/28/2013..	Not Provided				2,246,422	2,065,000	2,184,274	2,120,614	0	(11,227)	0	0	2,109,387	0	0	0	0	137,034	05/01/2015..	2FE...
984121-BV-4...	XEROX CORPORATION	A	05/15/2013..	Maturity				1,000,000	1,000,000	1,073,550	1,008,545	0	(8,545)	0	0	1,000,000	0	0	0	0	28,250	05/15/2013..	2FE...
389999 - Bonds - Industrial and Miscellaneous (Unaffiliated)				35,956,160	35,361,000	37,154,165	28,694,629	21,888	(436,326)	0	(414,438)	0	0	35,816,814	0	0	139,346	0	1,002,542	XXX	XXX		
839999 - Subtotals - Bonds - Part 4				51,896,354	51,301,194	53,110,573	44,648,338	21,888	(449,840)	0	(427,952)	0	0	51,757,008	0	0	139,345	0	1,247,475	XXX	XXX		
839999 - Subtotals - Bonds -				51,896,354	51,301,194	53,110,573	44,648,338	21,888	(449,840)	0	(427,952)	0	0	51,757,008	0	0	139,345	0	1,247,475	XXX	XXX		
Common Stock - Mutual Funds																							
885215-56-6...	THURNBURG INT'L VALUE FD-1	A	06/25/2013..	NO BROKER	95,531,070	2,596,535	XXX	2,688,764	2,525,268	(930)	0	0	(930)	0	0	2,688,764	0	0	(92,230)	(92,230)	26,792	XXX	1...
929999 - Common Stocks - Mutual Funds					2,596,535	XXX	2,688,764	2,525,268	(930)	0	0	(930)	0	0	2,688,764	0	0	(92,230)	(92,230)	26,792	XXX	XXX	
Common Stocks - Money Market Mutual Funds																							
608993-40-8...	HUNTINGTON MONEY MARKET FUND IV	E	06/27/2013..	Direct	5,369,055,700	5,369,056	XXX	5,369,056	0	0	0	0	0	0	0	5,369,056	0	0	0	0	8	XXX	V...
939999 - Common Stocks - Money Market Mutual Funds					5,369,056	XXX	5,369,056	0	0	0	0	0	0	0	5,369,056	0	0	0	0	8	XXX	XXX	
9799999 - Subtotals - Common Stocks - Part 4				7,965,590	XXX	8,057,820	2,525,268	(930)	0	0	(930)	0	0	8,057,820	0	0	(92,230)	(92,230)	26,800	XXX	XXX		
9799999 - Subtotals - Common Stocks				7,965,590	XXX	8,057,820	2,525,268	(930)	0	0	(930)	0	0	8,057,820	0	0	(92,230)	(92,230)	26,800	XXX	XXX		
9899999 - Subtotals - Preferred and Common Stocks				7,965,590	XXX	8,057,820	2,525,268	(930)	0	0	(930)	0	0	8,057,820	0	0	(92,230)	(92,230)	26,800	XXX	XXX		
9999999 Totals				59,861,944	XXX	61,168,393	47,173,606	20,958	(449,840)	0	(428,882)	0	0	59,814,828	0	47,116	47,116	1,274,275	XXX	XXX	XXX		

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

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

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
Fifth Third Bank.....	Dayton, OH.....	0.100	.69	0	10,009,402	10,003,407	.10,009,692	XXX
Huntington Bank.....	Dayton, OH.....	0.250	.19,755	0	22,678,967	24,863,116	.34,743,293	XXX
Independent Bank.....	Dayton, OH.....	0.000	.0	0	.420,855	.131,935	.740,899	XXX
US Bank.....	Dayton, OH.....	0.250	2,391	0	.(24,572,803)	.(20,250,819)	.(53,590,070)	XXX
Charter One Bank.....	Dayton, OH.....	0.250	3,278	0	17,029,714	19,059,455	7,274,621	XXX
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total Open Depositories	XXX	XXX	25,493	0	25,566,135	33,807,094	(821,565)	XXX
0399999 Total Cash on Deposit	XXX	XXX	25,493	0	25,566,135	33,807,094	(821,565)	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX	25,493	0	25,566,135	33,807,094	(821,565)	XXX

STATEMENT AS OF JUNE 30, 2013 OF THE CARESOURCE

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter							
1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Industrial and Miscellaneous - Issuer Obligations							
TIME WARNER CABLE INC.		04/04/2013	.6.200	07/01/2013	6,000,000	186,000	(80,460)
3299999 - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					6,000,000	186,000	(80,460)
3899999 - Subtotals - Industrial and Miscellaneous (Unaffiliated)					6,000,000	186,000	(80,460)
7799999 - Subtotals - Issuer Obligations					6,000,000	186,000	(80,460)
8399999 - Subtotals - Bonds					6,000,000	186,000	(80,460)
Sweep Accounts							
Fifth Third Repo.	DR	06/28/2013	.0.050	07/01/2013	.50,734.397	.0	14,661
Huntington Repo.	DR	06/28/2013	.0.150	07/01/2013	120,637,574	.0	91,150
8499999 - Sweep Accounts					171,371,971	0	105,811
8699999 Total Cash Equivalents							
					171,371,971	186,000	25,351