

ANNUAL STATEMENT

OF THE

Volunteer State Health Plan, Inc.

of

Chattanooga

in the state of

Tennessee

TO THE

Insurance Department

OF THE STATE OF

Tennessee

For the Year Ending
December 31, 2012

2012



ANNUAL STATEMENT

For the Year Ending December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

Volunteer State Health Plan, Inc.

NAIC Group Code	3498 <small>(Current Period)</small>	3498 <small>(Prior Period)</small>	NAIC Company Code	14046	Employer's ID Number	62-1656610
Organized under the Laws of	Tennessee		State of Domicile or Port of Entry	Tennessee		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]	Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]	Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]			
Incorporated/Organized	07/11/1996		Commenced Business	11/01/1996		
Statutory Home Office	1 Cameron Hill Circle <small>(Street and Number)</small>		Chattanooga, TN, US 37402 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	Chattanooga, TN, US 37402 <small>(City or Town, State, Country and Zip Code)</small>		1 Cameron Hill Circle <small>(Street and Number)</small>		(423)535-5600 <small>(Area Code) (Telephone Number)</small>	
Mail Address	1 Cameron Hill Circle 1.3 <small>(Street and Number or P.O. Box)</small>		Chattanooga, TN, US 37402 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	Chattanooga, TN, US 37402 <small>(City or Town, State, Country and Zip Code)</small>		1 Cameron Hill Circle <small>(Street and Number)</small>		(423)535-5600 <small>(Area Code) (Telephone Number)</small>	
Internet Website Address	www.vshptn.com		(423)535-5192 <small>(Area Code) (Telephone Number) (Extension)</small>			
Statutory Statement Contact	Toliver Ralph Woodard, Jr. <small>(Name)</small>		(423)535-8331 <small>(Area Code) (Telephone Number) (Extension)</small>			
	Ralph_Woodard@bcbst.com <small>(E-Mail Address)</small>		(423)535-8331 <small>(Fax Number)</small>			

CORPORATE OFFICERS

Name	Title
Scott Christian Pierce	President & CEO
Shelia Dian Clemons	Secretary
Katharine Anne Laurance	Assistant Secretary
Brian Edward Stana	Treasurer #
Alaine Marie Zachary	Assistant Treasurer

ADMINISTRATIVE OFFICERS

Reid Allen Smiley, Chief Financial Officer	Amber Jeanine Cambron, VP & Chief Operating Officer
David Matthew Moroney MD, VP & Chief Medical Officer	James Howard Srite, Actuary
Toliver Ralph Woodard, Jr., Controller and Chief Accounting Officer #	

DIRECTORS OR TRUSTEES

William Morgan Gracey, Chairman #	John Francis Giblin
Vicky Brown Gregg #	

State of Tennessee
County of Hamilton ss

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

 (Signature) Scott Christian Pierce (Printed Name) 1. President & CEO (Title)	 (Signature) Shelia Dian Clemons (Printed Name) 2. Secretary (Title)	 (Signature) Reid Allen Smiley (Printed Name) 3. Chief Financial Officer (Title)
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Subscribed and sworn to before me this 25th day of Feb., 2013

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

Yes[X] No[]


 (Notary Public Signature)

**My Commission Expires:
January 8, 2014**



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STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

**CERTIFICATE OF COMPLIANCE COVERING ADVERTISEMENT
OF ACCIDENT AND HEALTH POLICIES**

This is to certify that to the best of my knowledge, information and belief, the advertisements disseminated by Volunteer State Health Plan, Inc., during the preceding year, complied with or were made to comply in all respects with the provisions of the Insurance Laws and Rules of Tennessee as prescribed in Tenn. Comp. R & Regs., Department of Commerce Insurance, ch. 0780-1-8.17 and the ruling issued thereunder by the State Commissioner of Commerce and Insurance of the State of Tennessee.

[Signature] 2/25/13
Authorized Officer Date

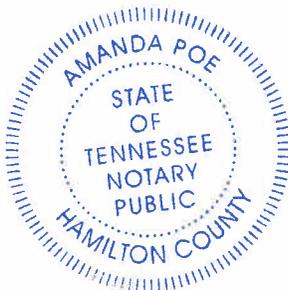
President & CEO

Officers Title

Subscribed and sworn to before me this 25th day of Feb., 2013
(date)

My Commission Expires May 4, 2016
(date)

Amanda Poe
Notary Signature:



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Statement of Actuarial Opinion

ACTUARIAL OPINION

TABLE of KEY INDICATORS

This Opinion is: Unqualified Qualified Adverse Inconclusive

IDENTIFICATION SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

SCOPE SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

RELIANCE SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

OPINION SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

RELEVANT COMMENTS

Revised Wording

The Actuarial Memorandum includes "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice

IDENTIFICATION

I, James Howard Srite, FSA, MAAA, am an employee of Blue Cross and Blue Shield of Tennessee (BCBST), holding company for Volunteer State Health Plan, and a member of the American Academy of Actuaries. I was appointed on October 15, 2009 in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion.

SCOPE

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of Volunteer State Health Plan as prepared for filing with state regulatory officials, as of December 31, 2012.

A. Claims unpaid (Page 3, Line 1);	\$ 142,904,068
B. Accrued medical incentive pool and bonus payments (Page 3, Line 2);	\$ 1,002,133
C. Unpaid claims adjustment expenses (Page 3, Line 3);	\$ 7,000,900
D. Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves and additional policy reserves from the Underwriting and Investment Exhibit – Part 2D;	\$ 0
E. Aggregate life policy reserves (Page 3, Line 5);	\$ 0
F. Property/casualty unearned premium reserves (Page 3, Line 6);	\$ 0
G. Aggregate health claim reserves (Page 3, Line 7); and	\$ 0
H. Any actuarial reserves or liabilities not included in the items above.	\$ 0
I. Specified actuarial items presented as assets in the annual statement	\$ 0

RELIANCE

In forming my opinion on loss reserves, I relied upon data prepared by Norman John Zwitter, FSA, MAAA, Valuation Actuary, by Ann Tate, Financial Coordinator of Health Plan Accounting, by Trey White, Director of Financial Reporting, and by David Keith Marckel, Vice President of Information Services, Enterprise Applications as certified in the attached statements. I evaluated that data for reasonableness and consistency. I also reconciled that data to the Underwriting and Investment Exhibit - Part 2B of the company's current annual statement. In other respects, my examination included review of the actuarial assumptions and actuarial methods used and tests of the calculations I considered necessary.

OPINION

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

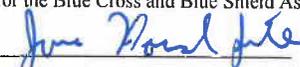
- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- C. Meet the requirements of the Insurance Laws and regulations of the State of Tennessee and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed,
- D. Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements,
- E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end,
- F. Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit – Part 2B was reviewed for reasonableness and consistency with the applicable Actuarial Standards of Practice.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

RELEVANT COMMENTS

This opinion has been prepared solely for the Board and the management of the Company, for filing with insurance regulatory agencies of states in which the Company is licensed, and for the Blue Cross and Blue Shield Association and is not intended for any other purpose.

 2/22/13
 James Howard Srite, FSA, MAAA Date

1 Cameron Hill Circle CH 1.5
Chattanooga, Tennessee 37402
423-535-8200

SAO

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Volunteer State Health Plan
2012 Reliance Statement

I, Trey White, Director Financial Reporting, hereby affirm the calculation of the unpaid expense reserve and the supporting detail listings provided to James Howard Srite, FSA, MAAA, are to the best of my knowledge and belief, accurate and complete.



Signature

Trey White

Printed Name

1 Cameron Hill Circle – CH1.3
Chattanooga, TN 37402

Address

423-535-7036

Telephone Number

2-11-13

Date

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Volunteer State Health Plan, Inc.
2012 Reliance Statement

I, Norman John Zwitter, FSA, MAAA, Valuation Actuary of BCBST, meet the American Academy of Actuaries qualification standards for issuing an opinion on the unpaid claims liability of health insurers. I hereby affirm that all actuarial information submitted by me and under my direction to James Howard Srite, FSA, MAAA, is to the best of my knowledge and belief, accurate and complete. My examination included such review of the assumptions and methods used and of the underlying basic records and/or summaries and such tests and calculations, as I considered necessary.

In my opinion, the amounts carried in the balance sheet as covered in the actuarial opinion:

- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- C. Meet the requirements of the laws of Tennessee, and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed,
- D. Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements,
- E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end.
- F. Include appropriate provision for all actuarial items that ought to be established.


Signature

Norman John Zwitter
Printed Name

1 Cameron Hill Circle – CH1.3
Chattanooga, TN 37402
Address

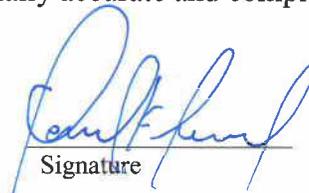
423-535-5697
Telephone Number

2/18/13
Date

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Volunteer State Health Plan
Reliance Statement
2012 Annual Statement

I, David Keith Marckel, Vice President of Information Services, Enterprise Applications of BlueCross BlueShield of Tennessee, Inc. hereby affirm that the data extracts from the electronic data warehouse and subsequent database structures provided to James Howard Srite, FSA, MAAA, as the basis of the reserve analysis were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete.



Signature

David Keith Marckel
Printed Name

1 Cameron Hill Circle – CH 2.4
Chattanooga, TN 37402
Address

423-535-3898
Telephone Number

2-14-2013
Date

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Volunteer State Health Plan
2012 Reliance Statement

I, Ann Tate, Financial Coordinator of Health Plan Accounting, hereby affirm that all accounting related information submitted by me or under my direction to James Howard Srite, FSA, MAAA, are to the best of my knowledge and belief, accurate and complete. This includes accounting information utilized in the amounts reported in the Underwriting and Investment Exhibit – Part 2B of the annual statement (NAIC format).

Ann Tate
Signature

Ann Tate
Printed Name

1 Cameron Hill Circle – CH1.3
Chattanooga, TN 37402
Address

423-535-6773
Telephone Number

2/22/13
Date

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ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1-2)	Net Admitted Assets
1. Bonds (Schedule D)	265,079,879		265,079,879	184,988,386
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....3,942,386 Schedule E Part 1), cash equivalents (\$.....2,698,694 Schedule E Part 2) and short-term investments (\$.....169,312,724 Schedule DA)	175,953,804		175,953,804	184,519,385
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities	60,554		60,554	803,972
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	441,094,237		441,094,237	370,311,743
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,505,343		1,505,343	1,156,594
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				16,815,438
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	2,771,776		2,771,776	1,201,036
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	5,308,177	279,764	5,028,413	4,443,691
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$.....0) and other amounts receivable	1,434,678	1,434,678		
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	452,114,211	1,714,442	450,399,769	393,928,502
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	452,114,211	1,714,442	450,399,769	393,928,502
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	142,904,068		142,904,068	159,627,541
2. Accrued medical incentive pool and bonus amounts	1,002,133		1,002,133	850,917
3. Unpaid claims adjustment expenses	7,000,900		7,000,900	8,014,422
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	8,068,135		8,068,135	6,236,739
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))	105,509		105,509	
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	7,702		7,702	10,989
13. Remittances and items not allocated	4,694,337		4,694,337	2,122,489
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	23,894,182		23,894,182	16,820,969
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	212,641		212,641	895,768
23. Aggregate write-ins for other liabilities (including \$.....0 current)	44,793,432		44,793,432	24,313,559
24. TOTAL Liabilities (Lines 1 to 23)	232,683,039		232,683,039	218,893,393
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	10	10
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	155,299,990	155,299,990
29. Surplus notes	X X X	X X X	17,000,000	17,000,000
30. Aggregate write-ins for other than special surplus funds	X X X	X X X	34,850,000	34,651,682
31. Unassigned funds (surplus)	X X X	X X X	10,566,730	(31,916,573)
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	217,716,730	175,035,109
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	450,399,769	393,928,502
DETAILS OF WRITE-INS				
2301. Insured Premium Tax Payable	22,335,378		22,335,378	24,175,817
2302. Due State of Tennessee - Premium Payable	21,899,524		21,899,524	
2303. Pending Escheatment To State	542,258		542,258	104,569
2398. Summary of remaining write-ins for Line 23 from overflow page	16,272		16,272	33,173
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	44,793,432		44,793,432	24,313,559
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001. Legally Required Reserves	X X X	X X X	34,850,000	34,651,682
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X	34,850,000	34,651,682

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	4,779,443	4,911,134
2. Net premium income (including \$.....0 non-health premium income)	X X X	1,690,789,890	1,695,982,644
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. TOTAL Revenues (Lines 2 to 7)	X X X	1,690,789,890	1,695,982,644
Hospital and Medical:			
9. Hospital/medical benefits		1,052,046,144	1,055,574,645
10. Other professional services		284,647,776	252,177,346
11. Outside referrals			
12. Emergency room and out-of-area		44,552,627	42,394,538
13. Prescription drugs			
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts		2,004,503	1,474,958
16. Subtotal (Lines 9 to 15)		1,383,251,050	1,351,621,487
Less:			
17. Net reinsurance recoveries			
18. TOTAL Hospital and Medical (Lines 16 minus 17)		1,383,251,050	1,351,621,487
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....56,324,094 cost containment expenses		93,269,676	89,112,502
21. General administrative expenses		151,980,763	160,252,412
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23. TOTAL Underwriting Deductions (Lines 18 through 22)		1,628,501,489	1,600,986,401
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	62,288,401	94,996,243
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		2,840,552	3,128,627
26. Net realized capital gains (losses) less capital gains tax of \$.....0		981,986	585,287
27. Net investment gains (losses) (Lines 25 plus 26)		3,822,538	3,713,914
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	66,110,939	98,710,157
31. Federal and foreign income taxes incurred	X X X	23,319,278	25,211,047
32. Net income (loss) (Lines 30 minus 31)	X X X	42,791,661	73,499,110
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	175,035,109	104,921,560
34. Net income or (loss) from Line 32	42,791,661	73,499,110
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	58,099	2,642
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	30,973	(9,256,390)
39. Change in nonadmitted assets	44,492	5,868,187
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles	(80,590)	
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	(163,014)	
48. Net change in capital and surplus (Lines 34 to 47)	42,681,621	70,113,549
49. Capital and surplus end of reporting year (Line 33 plus 48)	217,716,730	175,035,109
DETAILS OF WRITE-INS		
4701. Change in Accounting Principle - SSAP 101 Non-admitted Assets adjusted as of 01/01/2012	(163,015)	
4702. Rounding	1	
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(163,014)	

Report #2A: TennCare Select Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	141,271	557,694	538,990
Estimated Revenues:			
1. TennCare Capitation	100,420,484	391,204,361	365,372,932
2. Investment	-	-	-
3. Other Revenues	-	-	-
4. Total Estimated Revenues (Lines 1 to 3)	100,420,484	391,204,361	365,372,932
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	285,785	1,144,154	1,090,389
6. Fee-for Service Physician Services	11,256,201	42,349,564	40,263,944
7. Inpatient Hospital Services	18,821,018	75,253,799	76,799,881
8. Outpatient Hospital Services	8,088,530	33,085,868	30,746,261
9. Emergency Room Services	1,329,249	4,836,867	4,491,571
10. Dental Services	-	629	308
11. Vision Services	88,316	338,224	283,460
12. Pharmacy Services	-	-	(1,194)
13. Home Health Services	25,137,930	103,066,160	96,110,319
14. Chiropractic Services	-	-	-
15. Radiology Services	268,876	1,129,116	1,211,898
16. Laboratory Services	280,194	1,482,485	1,460,182
17. Durable Medical Equipment Services	4,709,836	20,415,555	14,538,794
18. Transportation Services	871,454	3,381,368	3,738,243
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	-	-	-
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	48,615	291,046	420,112
23. HCBS Services	527	3,090	2,882
24. Other Medical and Hospital Services - Write-Ins	3,838,534	9,922,275	6,295,145
25. Subtotal Medical and Hospital (Lines 5 to 24)	75,025,065	296,700,200	277,452,195
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,243,007	4,141,233	4,942,226
27. Inpatient Substance Abuse Treatment and Detox	4,084	23,079	21,598
28. Outpatient Mental Health Services	3,612,881	14,023,158	13,837,283
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	1,822,480	6,295,608	6,880,297
31. Specialized Crisis Services	285,637	1,122,279	1,054,391
32. Psychiatric Rehab and Support Services	156,896	569,240	1,410,762
33. Case Management	2,218,961	8,626,326	8,729,140
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	26,512	89,632	78,909
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	2,922,059	8,698,929	6,540,689
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	12,292,517	43,589,484	43,495,295
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	87,317,582	340,289,684	320,947,490
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	405	1,150	(786)
48. Subrogation and Coordination of Benefits	10,257	278,671	502,350
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	10,662	279,821	501,564
50. Total Hospital, Medical, MH&SAS (Lines 45 and 49)	87,306,920	340,009,863	320,445,926
Administration:			
51. Compensation	4,519,702	16,283,318	13,140,965
52. Marketing	88,555	178,780	100,789
53. Interest Expense	-	-	-
54. Premium Tax Expense	5,523,127	21,549,548	20,095,511
55. Occupancy, Depreciation, and Amortization	166,501	1,173,552	1,124,962
56. Other Administration - Write-Ins	2,041,930	8,003,054	6,659,081
57. Total Administration Expenses (Lines 51 to 56)	12,339,815	47,188,252	41,121,308
58. Total Expenses (Lines 50 and 57)	99,646,735	387,198,115	361,567,234
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	281,164	1,413,121	971,994
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	492,585	2,593,125	2,833,704
Write-Ins for Other Expense			
Detail of Other Revenues			
0301.	-	-	-
0399. Total Other Revenues	-	-	-
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	1,768,451	7,078,675	6,804,084
2202. Bad Debt Expense	2,070,083	2,843,600	(504,247)
2203. Out of Area Claims Expense	-	-	(4,692)
2299. Total Other Medical and Hospital	3,838,534	9,922,275	6,295,145
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	829,876	2,970,484	2,391,241
5602. Outsourced Services	383,685	2,188,755	2,016,416
5603. Auditing, Actuarial, and Other Consulting	310,067	1,071,709	850,818
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	261,624	907,791	721,824
5605. Postage/Telephone	147,182	602,128	508,213
5606. Printing and Stationary	109,496	262,187	170,569
5699. Total Other Administration	2,041,930	8,003,054	6,659,081

Report #2A: BlueCare West Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	537,438	2,155,841	2,185,691
Estimated Revenues:			
1. TennCare Capitation	186,126,432	747,668,383	741,600,132
2. Investment	241,388	1,577,712	1,695,885
3. Other Revenues	60,000	134,000	67,712
4. Total Estimated Revenues (Lines 1 to 3)	186,427,820	749,380,095	743,363,729
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	27,662,689	120,931,590	124,112,987
7. Inpatient Hospital Services	22,751,255	102,837,780	101,548,192
8. Outpatient Hospital Services	18,965,787	78,188,509	69,289,254
9. Emergency Room Services	6,450,670	26,130,721	25,005,773
10. Dental Services	49	389	3,176
11. Vision Services	112,228	465,787	432,083
12. Pharmacy Services	-	-	-
13. Home Health Services	5,013,234	23,123,053	22,320,774
14. Chiropractic Services	-	-	-
15. Radiology Services	1,246,064	5,701,293	6,265,336
16. Laboratory Services	1,305,571	8,924,634	9,644,988
17. Durable Medical Equipment Services	1,922,764	9,781,802	8,269,805
18. Transportation Services	3,129,668	12,724,151	13,907,103
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	(185,000)	400,000	297,587
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	34,768,780	125,931,153	134,345,774
23. HCBS Services	10,449,946	39,188,179	20,828,843
24. Other Medical and Hospital Services - Write-Ins	2,937,821	10,716,596	9,043,589
25. Subtotal Medical and Hospital (Lines 5 to 24)	136,531,526	565,045,637	545,315,264
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	2,075,887	7,302,334	4,938,436
27. Inpatient Substance Abuse Treatment and Detox	78,782	322,127	243,258
28. Outpatient Mental Health Services	1,509,237	5,916,538	4,114,838
29. Outpatient Substance Abuse Treatment and Detox	-	-	609
30. Housing/Residential Treatment	558,701	2,839,387	2,432,211
31. Specialized Crisis Services	848,106	3,351,984	3,113,205
32. Psychiatric Rehab and Support Services	305,950	1,214,563	967,660
33. Case Management	2,790,305	12,177,587	12,286,032
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	25,401	125,402	114,128
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	1,760,323	6,681,971	6,408,556
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	9,952,692	39,931,893	34,618,933
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	146,484,218	604,977,530	579,934,197
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	16,320	57,079	52,274
48. Subrogation and Coordination of Benefits	(3,001)	(7,514)	-
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	13,319	49,565	52,274
50. Total Hospital, Medical, MH&SAS, (Lines 45 and 49)	146,470,899	604,927,965	579,881,923
Administration:			
51. Compensation	11,769,616	42,850,054	43,471,825
52. Marketing	232,083	470,465	333,422
53. Interest Expense	-	-	-
54. Premium Tax Expense	10,240,254	41,129,131	40,791,731
55. Occupancy, Depreciation, and Amortization	427,526	3,088,237	3,721,503
56. Other Administration - Write-Ins	5,310,508	21,060,285	22,029,019
57. Total Administration Expenses (Lines 51 to 56)	27,979,987	108,598,172	110,347,500
58. Total Expenses (Lines 50 and 57)	174,450,886	713,526,137	690,229,423
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	4,285,486	12,646,748	13,570,756
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	7,691,448	23,207,210	39,563,550
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Pay-for-Performance Bonus	60,000	134,000	67,712
0399. Total Other Revenues	60,000	134,000	67,712
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	2,467,961	10,004,601	8,763,942
2202. Bad Debt Expense	469,860	711,733	279,874
2203. Out of Area Claims Expense	-	262	(227)
2299. Total Other Medical and Hospital	2,937,821	10,716,596	9,043,589
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	2,161,261	7,816,922	7,910,503
5602. Outsourced Services	990,634	5,759,776	6,670,541
5603. Auditing, Actuarial, and Other Consulting	807,913	2,820,234	2,814,608
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	681,654	2,388,880	2,387,877
5605. Postage/Telephone	382,515	1,584,519	1,681,228
5606. Printing and Stationary	286,531	689,954	564,262
5699. Total Other Administration	5,310,508	21,060,285	22,029,019

Report #2A: BlueCare East Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	650,410	2,623,603	2,725,444
Estimated Revenues:			
1. TennCare Capitation	239,119,960	942,958,969	954,333,664
2. Investment	295,030	1,928,353	2,109,301
3. Other Revenues	35,000	86,000	-
4. Total Estimated Revenues (Lines 1 to 3)	239,449,990	944,973,322	956,442,965
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	44,233,026	187,108,166	194,350,770
7. Inpatient Hospital Services	37,956,513	149,370,450	134,874,373
8. Outpatient Hospital Services	19,074,972	74,222,991	73,375,772
9. Emergency Room Services	5,060,899	18,374,588	17,333,899
10. Dental Services	4,058	12,921	8,861
11. Vision Services	178,341	705,197	604,829
12. Pharmacy Services	-	-	-
13. Home Health Services	6,828,443	29,033,578	29,885,303
14. Chiropractic Services	-	-	-
15. Radiology Services	1,900,686	7,546,803	8,056,167
16. Laboratory Services	2,183,181	14,151,829	11,309,294
17. Durable Medical Equipment Services	4,534,984	19,774,446	17,211,368
18. Transportation Services	3,792,831	15,619,070	19,809,689
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	685,000	1,604,503	1,177,369
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	42,557,302	162,130,414	181,835,964
23. HCBS Services	10,122,885	34,305,991	23,735,901
24. Other Medical and Hospital Services - Write-Ins	3,178,626	11,465,998	9,977,410
25. Subtotal Medical and Hospital (Lines 5 to 24)	182,291,747	725,426,945	723,546,969
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,784,605	5,540,788	4,750,333
27. Inpatient Substance Abuse Treatment and Detox	114,220	423,296	252,856
28. Outpatient Mental Health Services	3,236,185	13,406,443	11,262,597
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	711,560	3,223,157	3,785,300
31. Specialized Crisis Services	789,448	3,430,660	5,871,564
32. Psychiatric Rehab and Support Services	935,785	3,632,795	3,438,101
33. Case Management	2,965,014	13,780,428	12,226,192
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	49,073	206,548	156,576
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	2,854,029	9,418,977	6,579,215
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	13,439,919	53,063,092	48,322,734
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	195,731,666	778,490,037	771,869,703
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	39,234	130,735	129,784
48. Subrogation and Coordination of Benefits	-	(4,374)	381
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	39,234	126,361	130,165
50. Total Hospital, Medical, MH&SAS, (Lines 45 and 49)	195,692,432	778,363,676	771,739,538
Administration:			
51. Compensation	15,047,433	55,682,873	56,075,779
52. Marketing	299,693	611,361	430,093
53. Interest Expense	-	-	-
54. Premium Tax Expense	13,153,522	51,867,473	52,488,352
55. Occupancy, Depreciation, and Amortization	534,419	4,013,108	4,800,493
56. Other Administration - Write-Ins	6,775,759	27,367,460	28,415,976
57. Total Administration Expenses (Lines 51 to 56)	35,810,826	139,542,275	142,210,693
58. Total Expenses (Lines 50 and 57)	231,503,258	917,905,951	913,950,231
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	2,851,790	9,547,460	10,852,848
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	5,094,942	17,519,911	31,639,886
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Pay-for-Performance Bonus	35,000	86,000	-
0399. Total Other Revenues	35,000	86,000	-
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	2,604,352	10,596,102	9,571,627
2202. Bad Debt Expense	574,274	869,896	348,590
2203. Out of Area Claims Expense	-	-	57,193
2299. Total Other Medical and Hospital	3,178,626	11,465,998	9,977,410
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	2,763,578	10,157,948	10,204,025
5602. Outsourced Services	1,249,414	7,484,725	8,604,556
5603. Auditing, Actuarial, and Other Consulting	1,033,880	3,664,844	3,630,658
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	872,231	3,104,307	3,080,203
5605. Postage/Telephone	487,520	2,059,054	2,168,674
5606. Printing and Stationary	369,136	896,582	727,860
5699. Total Other Administration	6,775,759	27,367,460	28,415,976

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	1,707,605,328	1,579,668,663
2.	Net investment income	5,083,760	5,201,202
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	1,712,689,088	1,584,869,865
5.	Benefit and loss related payments	1,399,823,307	1,376,697,004
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	246,686,432	250,119,152
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	23,457,374	25,211,047
10.	Total (Lines 5 through 9)	1,669,967,113	1,652,027,203
11.	Net cash from operations (Line 4 minus Line 10)	42,721,975	(67,157,338)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	184,545,156	169,827,029
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds	902,380	35,289
12.8	Total investment proceeds (Lines 12.1 to 12.7)	185,447,536	169,862,318
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	266,225,791	195,561,830
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	121,692	796,685
13.7	Total investments acquired (Lines 13.1 to 13.6)	266,347,483	196,358,515
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(80,899,947)	(26,496,197)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	29,612,391	(3,370,903)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	29,612,391	(3,370,903)
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)	(8,565,581)	(97,024,438)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	184,519,385	281,543,823
19.2	End of year (Line 18 plus Line 19.1)	175,953,804	184,519,385

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

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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	1,690,789,890							1,690,789,890		
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										
4. Risk revenue										
5. Aggregate write-ins for other health care related revenues										
6. Aggregate write-ins for other non-health care related revenues										
7. TOTAL Revenues (Lines 1 to 6)	1,690,789,890							1,690,789,890		
8. Hospital/medical benefits	1,052,046,144							1,052,046,144		
9. Other professional services	284,647,776							284,647,776		
10. Outside referrals										
11. Emergency room and out-of-area	44,552,627							44,552,627		
12. Prescription drugs										
13. Aggregate write-ins for other hospital and medical										
14. Incentive pool, withhold adjustments and bonus amounts	2,004,503							2,004,503		
15. Subtotal (Lines 8 to 14)	1,383,251,050							1,383,251,050		
16. Net reinsurance recoveries										
17. TOTAL Hospital and Medical (Lines 15 minus 16)	1,383,251,050							1,383,251,050		
18. Non-health claims (net)										
19. Claims adjustment expenses including \$.....56,324,094 cost containment expenses	93,269,676									
20. General administrative expenses	151,980,763									
21. Increase in reserves for accident and health contracts										
22. Increase in reserves for life contracts										
23. TOTAL Underwriting Deductions (Lines 17 to 22)	1,628,501,489									
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	62,288,401									
DETAILS OF WRITE-INS										
0501.										
0502.										
0503.										
0598. Summary of remaining write-ins for Line 5 from overflow page										
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										
0601.										
0602.										
0603.										
0698. Summary of remaining write-ins for Line 6 from overflow page										
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)										
1301.										
1302.										
1303.										
1398. Summary of remaining write-ins for Line 13 from overflow page										
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical)				
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid	1,690,789,890			1,690,789,890
8. Other health				
9. Health subtotal (Lines 1 through 8)	1,690,789,890			1,690,789,890
10. Life				
11. Property/casualty				
12. TOTALS (Lines 9 to 11)	1,690,789,890			1,690,789,890

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	43,410,310							43,410,310		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	43,410,310							43,410,310		
2. Incurred but Unreported:										
2.1 Direct	99,493,758							99,493,758		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	99,493,758							99,493,758		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	142,904,068							142,904,068		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	142,904,068							142,904,068		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year			Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 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 December 31 of Prior Year	4 On Claims Incurred During the Year			
1. Comprehensive (hospital and medical)							
2. Medicare Supplement							
3. Dental only							
4. Vision only							
5. Federal Employees Health Benefits Plan							
6. Title XVIII - Medicare	143,259,243	1,255,220,034	(2,995,078)	145,899,146	140,264,165	159,627,541	
7. Title XIX - Medicaid							
8. Other health							
9. Health subtotal (Lines 1 to 8)	143,259,243	1,255,220,034	(2,995,078)	145,899,146	140,264,165	159,627,541	
10. Healthcare receivables (a)	147,653	1,287,025			147,653	925,421	
11. Other non-health	855,420	997,867		1,002,133	855,420	850,917	
12. Medical incentive pool and bonus amounts							
13. TOTALS (Lines 9 - 10 + 11 + 12)	143,967,010	1,254,930,876	(2,995,078)	146,901,279	140,971,932	159,553,037	

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior		1,087	1,037	1,505	44
2. 2008	13,900	68,122	67,281	67,310	67,310
3. 2009	X X X	994,406	1,112,785	1,111,533	1,110,016
4. 2010	X X X	X X X	1,057,109	1,207,196	1,202,548
5. 2011	X X X	X X X	X X X	1,227,458	1,377,737
6. 2012	X X X	X X X	X X X	X X X	1,256,218

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior		1,087	1,037	1,505	44
2. 2008	76,121	68,519	67,451	67,310	67,310
3. 2009	X X X	1,137,974	1,114,956	1,111,665	1,109,943
4. 2010	X X X	X X X	1,240,321	1,208,146	1,201,722
5. 2011	X X X	X X X	X X X	1,386,855	1,375,642
6. 2012	X X X	X X X	X X X	X X X	1,403,119

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2008	77,924	67,310	20,092	29.850	87,402	112.163			87,402	112.163
2. 2009	1,197,311	1,110,016	88,273	7.952	1,198,289	100.082	(73)	(2)	1,198,214	100.075
3. 2010	1,416,267	1,202,548	93,306	7.759	1,295,854	91.498	(826)	(7)	1,295,021	91.439
4. 2011	1,695,983	1,377,737	89,672	6.509	1,467,409	86.523	(2,095)	920	1,466,234	86.453
5. 2012	1,690,790	1,256,218	80,020	6.370	1,336,238	79.030	146,901	6,090	1,489,229	88.079

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	NONE				
2. 2008					
3. 2009					
4. 2010	X X				
5. 2011	X X X				
6. 2012	X X X				

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	NONE				
2. 2008					
3. 2009					
4. 2010	X X				
5. 2011	X X				
6. 2012	X X X				

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Claim Adjustment Expense Payments (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Claim Adjustment Expense Payments (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Total Claims and Claims Adjustment Expense Incurred (Col. 9/1) Percent
1. 2008	NONE									
2. 2009										
3. 2010										
4. 2011										
5. 2012										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Medicare Supplement

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	NONE				
2. 2008					
3. 2009		X			
4. 2010		X	X		
5. 2011		X	X	X	
6. 2012		X	X	X	X

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	NONE				
2. 2008					
3. 2009		X			
4. 2010		X	X		
5. 2011		X	X	X	
6. 2012		X	X	X	X

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Claim Adjustment Expense Payments (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Claim Adjustment Expense Payments (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Total Claims and Claims Adjustment Expense Incurred (Col. 9/1) Percent
1. 2008				NONE						
2. 2009										
3. 2010										
4. 2011										
5. 2012										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Dental Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	NONE				
2. 2008					
3. 2009		X			
4. 2010		X	X		
5. 2011		X	X	X	
6. 2012		X	X	X	X

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	NONE				
2. 2008					
3. 2009		X			
4. 2010		X	X		
5. 2011		X	X	X	
6. 2012		X	X	X	X

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Claim Adjustment Expense Payments (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Claim Adjustment Expense Payments (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Total Claims and Claims Adjustment Expense Incurred (Col. 9/1) Percent
1. 2008				NONE						
2. 2009										
3. 2010										
4. 2011										
5. 2012										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Vision Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	NONE				
3. 2009					
4. 2010		X			
5. 2011		X	X		
6. 2012	X	X	X	X	X

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	NONE				
3. 2009					
4. 2010		X			
5. 2011		X	X		
6. 2012	X	X	X	X	X

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Claim Adjustment Expense Payments (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Claim Adjustment Expense Payments (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Total Claims and Claims Adjustment Expense Incurred (Col. 9/1) Percent
1. 2008										
2. 2009										
3. 2010										
4. 2011										
5. 2012										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	NONE				
2. 2008					
3. 2009					
4. 2010	X X				
5. 2011	X X X				
6. 2012	X X X				

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	NONE				
2. 2008					
3. 2009					
4. 2010	X X				
5. 2011	X X				
6. 2012	X X X				

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Claim Adjustment Expense Payments (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Claim Adjustment Expense Payments (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Total Claims and Claims Adjustment Expense Incurred (Col. 9/1) Percent
1. 2008	NONE									
2. 2009										
3. 2010										
4. 2011										
5. 2012										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	NONE				
2. 2008					
3. 2009					
4. 2010					
5. 2011					
6. 2012					

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	NONE				
2. 2008					
3. 2009					
4. 2010					
5. 2011					
6. 2012					

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Claim Adjustment Expense Payments (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Claim Adjustment Expense Payments (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Total Claims and Claims Adjustment Expense Incurred (Col. 9/1) Percent
1. 2008	NONE									
2. 2009										
3. 2010										
4. 2011										
5. 2012										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior		1,087	1,037	1,505	44
2. 2008	13,900	68,122	67,281	67,310	67,310
3. 2009	X X X	994,406	1,112,785	1,111,533	1,110,016
4. 2010	X X X	X X X	1,057,109	1,207,196	1,202,548
5. 2011	X X X	X X X	X X X	1,227,458	1,377,737
6. 2012	X X X	X X X	X X X	X X X	1,256,218

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior		1,087	1,037	1,505	44
2. 2008	76,121	68,519	67,451	67,310	67,310
3. 2009	X X X	1,137,974	1,114,956	1,111,665	1,109,943
4. 2010	X X X	X X X	1,240,321	1,208,146	1,201,722
5. 2011	X X X	X X X	X X X	1,386,855	1,375,642
6. 2012	X X X	X X X	X X X	X X X	1,403,119

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2008	77,924	67,310	14,223	21.131	81,533	104.631			81,533	104.631
2. 2009	1,197,311	1,110,016	87,202	7.856	1,197,218	99.992	(73)	(2)	1,197,143	99.986
3. 2010	1,416,267	1,202,548	93,543	7.779	1,296,091	91.515	(826)	(7)	1,295,258	91.456
4. 2011	1,695,983	1,377,737	91,769	6.661	1,469,506	86.646	(2,095)	733	1,468,144	86.566
5. 2012	1,690,790	1,256,218	81,835	6.514	1,338,053	79.138	146,901	4,406	1,489,360	88.087

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	XXX				
4. 2010	XXX	XXX			
5. 2011	XXX	XXX	XXX		
6. 2012	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	XXX				
4. 2010	XXX	XXX			
5. 2011	XXX	XXX	XXX		
6. 2012	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2008	5,869		5,869		5,869				5,869	
2. 2009	1,071		1,071		1,071				1,071	
3. 2010	(237)		(237)		(237)				(237)	
4. 2011	(2,097)		(2,097)		(2,097)				(1,910)	187
5. 2012	(1,815)		(1,815)		(1,815)				(1,684)	(131)

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$##### for investment income)									
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)									
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)									

NONE

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)	3,232,072	2,178,225	2,114,471		7,524,768
2. Salaries, wages and other benefits	47,056,381	31,713,214	30,785,006		109,554,601
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4. Legal fees and expenses	865,969	583,612	566,530		2,016,111
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services	3,282,051	2,211,908	2,147,168		7,641,127
7. Traveling expenses	1,217,245	820,351	796,340		2,833,936
8. Marketing and advertising	547,504	368,985	358,185		1,274,674
9. Postage, express and telephone	1,843,986	1,242,737	1,206,364		4,293,087
10. Printing and office supplies	802,935	541,130	525,292		1,869,357
11. Occupancy, depreciation and amortization	44,660	30,098	29,217		103,975
12. Equipment	6,402,227	4,314,722	4,188,435		14,905,384
13. Cost or depreciation of EDP equipment and software	2,694,725	1,816,085	1,762,930		6,273,740
14. Outsourced services including EDP, claims, and other services	6,702,946	4,517,389	4,385,170		15,605,505
15. Boards, bureaus and association fees	433,825	292,373	283,815		1,010,013
16. Insurance, except on real estate	175,288	118,134	114,676		408,098
17. Collection and bank service charges					
18. Group service and administration fees	(156,230)	(105,290)	(102,208)		(363,728)
19. Reimbursements by uninsured plans	(22,547,135)	(15,195,433)	(14,750,681)		(52,493,249)
20. Reimbursements from fiscal intermediaries	(1,475)	(994)	(965)		(3,434)
21. Real estate expenses	317,208	213,779	207,522		738,509
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes			114,943,448		114,943,448
23.3 Regulatory authority licenses and fees	48,539	32,712	31,755		113,006
23.4 Payroll taxes	2,810,420	1,894,057	1,838,620		6,543,097
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere				537,678	537,678
25. Aggregate write-ins for expenses	550,953	(642,212)	549,673		458,414
26. TOTAL Expenses Incurred (Lines 1 to 25)	56,324,094	36,945,582	151,980,763	537,678	(a) 245,788,117
27. Less expenses unpaid December 31, current year		7,000,900	8,068,135		15,069,035
28. Add expenses unpaid December 31, prior year		8,014,422	6,236,739		14,251,161
29. Amounts receivable relating to uninsured plans, prior year			1,201,036		1,201,036
30. Amounts receivable relating to uninsured plans, current year			2,771,776		2,771,776
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	56,324,094	37,959,104	151,720,107	537,678	246,540,983
DETAILS OF WRITE-INS					
2501. Other Miscellaneous Expense	530,635	357,617	536,381		1,424,633
2502. Charitable Expense	20,318	13,693	13,292		47,303
2503. Claims Adjustment Expense (change in accrual)		(1,013,522)			(1,013,522)
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	550,953	(642,212)	549,673		458,414

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 75,823	135,372
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 2,727,290	2,953,257
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 247,750	289,601
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	3,050,863	3,378,230
11. Investment expenses		(g) 537,678
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		537,678
17. Net Investment income (Line 10 minus Line 16)		2,840,552

DETAILS OF WRITE-INS

0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		

- (a) Includes \$ 37,207 accrual of discount less \$ (2,629,169) amortization of premium and less \$ 940,236 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 5,979 accrual of discount less \$ (87,676) amortization of premium and less \$ 10,946 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	136,080	(49,430)	86,650		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	967,598	(72,081)	895,517	60,587	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	(181)		(181)	(2,488)	
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	1,103,497	(121,511)	981,986	58,099	

DETAILS OF WRITE-INS

0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	279,764	833,513	553,749
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable	1,434,678	925,421	(509,257)
25. Aggregate write-ins for other than invested assets			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,714,442	1,758,934	44,492
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,714,442	1,758,934	44,492
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	403,278	399,694	397,704	398,971	393,856	4,779,443
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	403,278	399,694	397,704	398,971	393,856	4,779,443
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

	1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted	
0199999 Total individuals							
0299998 Premiums due and unpaid not individually listed							
0299999 Total group							
0399999 Premiums due and unpaid from Medicare entities	3,351,992	(3,790,416)	(4,111,501)	(17,349,599)		(21,899,524)	
0499999 Premiums due and unpaid from Medicaid entities	3,351,992	(3,790,416)	(4,111,501)	(17,349,599)		(21,899,524)	
0599999 Accident and health premiums due and unpaid (Page 2, Line 15) ..							

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed						
0199999 Subtotal - Pharmaceutical Rebate Receivables						
0299998 Claim Overpayment Receivables - Not Individually Listed				1,434,678	1,434,678	
0299999 Subtotal - Claim Overpayment Receivables				1,434,678	1,434,678	
0399998 Loans and Advances to Providers - Not Individually Listed						
0399999 Subtotal - Loans and Advances to Providers						
0499998 Capitation Arrangement Receivables - Not Individually Listed						
0499999 Subtotal - Capitation Arrangement Receivables						
0599998 Risk Sharing Receivables - Not Individually Listed						
0599999 Subtotal - Risk Sharing Receivables						
0699998 Other Receivables - Not Individually Listed						
0699999 Subtotal - Other Receivables						
0799999 Gross health care receivables				1,434,678	1,434,678	

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

Account	1	2	3	4	5	6	7
	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total	
0299999 Aggregate Accounts Not Individually Listed - Uncovered							
0399999 Aggregate Accounts Not Individually Listed - Covered	42,108,000	1,215,489	86,821			43,410,310	
0499999 Subtotals	42,108,000	1,215,489	86,821			43,410,310	
0599999 Unreported claims and other claim reserves							99,493,758
0699999 Total Amounts Withheld							
0799999 Total Claims Unpaid							142,904,068
0899999 Accrued Medical Incentive Pool and Bonus Amounts							1,002,133

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted		
						7 Current	8 Non-Current	
	NONE							
0399999 Total gross amounts receivable								

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5
Affiliate	Description	Amount	Current	Non-Current
Individually listed payables				
BCBST	Administrative services, ITS claims and miscellaneous due to BCBST	23,894,182	23,894,182	
0199999 Total - Individually listed payables	XX X	23,894,182	23,894,182	
0299999 Payables not individually listed	XX X			
0399999 Total gross payables	XX X	23,894,182	23,894,182	

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups						
2. Intermediaries	22,969,114	1.639				22,969,114
3. All other providers	6,242,174	0.445				6,242,174
4. TOTAL Capitation Payments	29,211,288	2.085				29,211,288
Other Payments:						
5. Fee-for-service			X X X	X X X		
6. Contractual fee payments	1,370,193,410	97.783	X X X	X X X		1,370,193,410
7. Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments	1,853,287	0.132	X X X	X X X		1,853,287
9. Non-contingent salaries			X X X	X X X		
10. Aggregate cost arrangements			X X X	X X X		
11. All other payments			X X X	X X X		
12. TOTAL Other Payments	1,372,046,697	97.915	X X X	X X X		1,372,046,697
13. TOTAL (Line 4 plus Line 12)	1,401,257,985	100.000	X X X	X X X		1,401,257,985

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
	SouthEas Transportation	22,969,114			
9999999 Totals		22,969,114	X X X	X X X	X X X

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment						
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. TOTAL						

NONE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Volunteer State Health Plan, Inc. (VSHP or the Company) are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance (TDCI).

The TDCI recognizes only statutory accounting practices prescribed or permitted by the State of Tennessee for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC AP&P) has been adopted as a component of prescribed and permitted practices by the State of Tennessee. Prescribed accounting practices are those practices which are incorporated directly or by reference to state laws, regulations and general administrative rules applicable to all insurance enterprises domiciled in Tennessee. Permitted accounting practices include deviations from NAIC Statutory Accounting Principles (SAP) specifically requested by an insurer and granted by the TDCI. These statements have no deviations from NAIC SAP other than as described in the following paragraphs.

The Company has accepted the risk for uninsured claims overpayments for which the Company determined the State of Tennessee was not responsible. At the direction of the TDCI, the Company records the uninsured claims overpayments as claims expense rather than reporting the net gain or loss on the general administrative expense line as required by NAIC SAP.

At the direction of the TDCI, the Company does not report the receivables and associated payables related to premium taxes for Administrative Services Only (ASO) business. The rationale behind the exclusion of these assets and liabilities is that they have no economic impact on the Company. The exclusion of premium taxes for ASO plans became effective in 2003.

Tennessee Code Annotated (T.C.A.) § 56-32-112(a)(5)(D) allows the admission of the most current 90 days of health care receivables, which differs from the NAIC AP&P that requires non-admission of health care receivables related to claim overpayments.

At the direction of the TDCI, the Company reports gross transactions with the affiliates listed on Schedule Y of the Annual Statement.

There are no differences between NAIC SAP and practices prescribed and permitted by the State of Tennessee with regards to the Company's net income or capital and surplus as of December 31, 2012 or 2011.

<u>NET INCOME</u>	<u>State of Domicile</u>	<u>2012</u>	<u>2011</u>
(1) VSHP state basis (Page 4, Line 32, Columns 2&3)	TN	\$ 42,791,661	\$ 73,499,110
(2) State prescribed practices that increase/(decrease) NAIC SAP:	TN	0	0
(3) State permitted practices that increase/(decrease) NAIC SAP:	TN	<u>0</u>	<u>0</u>
(4) NAIC SAP (1-2-3=4)	TN	<u>\$ 42,791,661</u>	<u>\$ 73,499,110</u>

SURPLUS

(5) VSHP state basis (Page 3, Line 33, Columns 3&4)	TN	\$ 217,716,730	\$175,035,109
(6) State prescribed practices that increase/(decrease) NAIC SAP:	TN	0	0
(7) State permitted practices that increase/(decrease) NAIC SAP:	TN	<u>0</u>	<u>0</u>
(8) NAIC SAP (5-6-7=8)	TN	<u>\$ 217,716,730</u>	<u>\$175,035,109</u>

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

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the reported amounts. Such estimates and assumptions could change in the future as more information becomes known, which could impact amounts reported and disclosed herein.

C. Accounting Policy

Health premiums are recognized at contractual rates and are earned during the month member coverage is provided. Expenses are charged to operations as they are incurred.

The Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- (3) The Company did not hold common stock.
- (4) The Company did not hold preferred stock.
- (5) The Company did not invest in mortgage loans.
- (6) Loan-backed securities are stated at amortized cost net of principal pay downs. The adjustment methodology for loan-backed securities is prospective. The Company holds structured securities. Prepayment assumptions for loan-backed securities and structured securities were obtained from Bloomberg, the bond portfolio managers and the custodian. The assumptions are consistent with current interest rates and the current economic environment.

Notes to Financial Statements

- (7) The Company did not hold investments in subsidiaries, controlled or affiliated (SCA) entities.
- (8) The Company did not hold investments in joint ventures, partnerships or limited liability companies.
- (9) The Company is not invested or engaged in any derivative instruments.
- (10) The Company did not need a premium deficiency reserve at December 31, 2012. The Company included investment income as a factor when determining whether a premium deficiency reserve was needed in accordance with Statement of Statutory Accounting Principles (SSAP) No. 54, *Individual and Group Accident Health Contracts*.
- (11) Unpaid losses and loss adjustment expenses include amounts determined from estimates, loss reports and past experience for losses incurred but not reported. Such liabilities are based on assumptions and estimates. The methods for making such estimates and for establishing the resulting liability are continually reviewed and adjustments are reflected in the current period. Such estimates and assumptions could change in the future as more information becomes known, which could impact amounts reported and disclosed herein.
- (12) The Company did not have a capitalization policy because fixed assets are held by the Parent.
- (13) The Company did not have a receivable for pharmaceutical rebates.

2. Accounting Changes and Corrections of Errors

During 2012, the Company revised its presentation of bonuses paid to providers from page 4, Line 9, Hospital/medical benefits, to Line 15, Incentive pool, withhold adjustments and bonus amounts. The December 31, 2011 reported balance for hospital and medical related claims expense in the amount of \$1,474,958 was reclassified to conform to the current year presentation.

The Company adopted the provisions of SSAP No. 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10*, effective January 1, 2012. Prior to this adoption, the Company followed the guidance of SSAP No. 10R, *Income Taxes – A Temporary Replacement of SSAP No. 10*, which was superseded by SSAP No. 101. In accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*, the adoption of SSAP No. 101 was treated as a change in accounting principle. The cumulative effect of adoption was presented as a gain in surplus of \$163,015 on the Cumulative effect of changes in accounting principles line on page 5 of the Statement of Revenue and Expenses.

The Company adopted the revised provisions of SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets – Revised*, related to tax contingencies, effective January 1, 2012. In accordance with SSAP No. 3, the adoption of SSAP No. 5R was treated as a change in accounting principle. The cumulative effect of adoption was presented as a reduction in surplus of \$243,605 on the Cumulative effect of changes in accounting principles line on page 5 of the Statement of Revenue and Expenses.

3. Business Combinations and Goodwill

- A. No business combinations taking the form of a statutory purchase occurred in 2012 or 2011.
- B. No business combinations taking the form of a statutory merger occurred in 2012 or 2011.
- C. The Company had no goodwill resulting from assumption reinsurance in 2012 or 2011.
- D. The Company did not record an impairment loss relating to the above transaction types in 2012 or 2011.

4. Discontinued Operations

The Company had no discontinued operations during 2012 or 2011.

5. Investments

During 2012, the Company recognized \$121,510 of other-than-temporary impairments (OTTI) on bond holdings.

- A. The Company had no mortgage loans in 2012 or 2011.
- B. The Company had no debt restructuring in 2012 or 2011.
- C. The Company had no reverse mortgages in 2012 or 2011.
- D. Loan-Backed Securities
 - (1) Prepayment assumptions are consistent with current market and economic conditions and were obtained from Bloomberg, bond portfolio managers and custodians. Fair values are obtained from custodians using actual market quotes, if available, or matrix pricing of securities with similar terms.
 - (2) The amounts of OTTI recognized on loan-backed securities during the twelve months ended December 31, 2012, by quarter, are as follows:

	Amortized Cost Basis Before OTTI	OTTI Recognized in Loss	Fair Value
OTTI recognized 1 st Quarter:			
a. Intent to Sell	\$ 1,447,092	\$ 19,201	\$ 1,427,891
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost	0	0	0
c. Total 1 st Quarter	\$ 1,447,092	\$ 19,201	\$ 1,427,891

Notes to Financial Statements

OTTI recognized 2nd Quarter:

d. Intent to Sell	\$ 2,779,372	\$ 44,865	\$ 2,734,507
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost	0	0	0
f. Total 2 nd Quarter	<u>\$ 2,779,372</u>	<u>\$ 44,865</u>	<u>\$ 2,734,507</u>

OTTI recognized 3rd Quarter:

g. Intent to Sell	\$ 0	\$ 0	\$ 0
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost	0	0	0
i. Total 3 rd Quarter	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

OTTI recognized 4th Quarter:

j. Intent to Sell	\$ 0	\$ 0	\$ 0
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost	0	0	0
l. Total 4 th Quarter	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
m. Annual Aggregate Total	<u>\$ 4,226,464</u>	<u>\$ 64,066</u>	<u>\$ 4,162,398</u>

- (3) The Company recognizes in income the difference between amortized cost and fair value of loan-backed securities deemed to be subject to other-than-temporary declines in value due to management's intent to sell. The Company has not recognized OTTI solely because the present value of expected cash flows to be collected is less than amortized cost basis of the securities.

1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
None	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	None

- (4) Aggregate amortized cost and fair value of loan-backed securities where fair value was less than amortized cost at December 31, 2012 and for which OTTI has not been recognized in earnings as a realized loss is as follows:

a. The aggregate amount of unrealized losses:	1. Less than 12 months	\$ 55,448
	2. 12 months or longer	\$ 13,534
b. The aggregate related fair value of securities with unrealized losses:	3. Less than 12 months	\$17,288,264
	4. 12 months or longer	\$ 1,357,932

- (5) The Company uses a variety of methods and procedures, both quantitative and qualitative, to review and analyze the Company's investment portfolio to identify, on a quarterly basis, securities that management believes to be other-than-temporarily impaired.

- E. The Company had no repurchase agreements or securities lending transactions in 2012 or 2011.
 F. The Company had no real estate in 2012 or 2011.
 G. The Company had no low-income housing tax credits in 2012 or 2011.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company had no investments in joint ventures, partnerships or limited liability companies which exceeded 10% of admitted assets in 2012 or 2011.
 B. The Company had no impairments recorded in 2012 or 2011 related to joint ventures, partnerships or limited liability companies.

7. Investment Income

- A. No investment income due and accrued was excluded from surplus in 2012 or 2011.
 B. The total amount excluded was \$0.

Notes to Financial Statements

8. Derivative Instruments

The Company had no derivative instruments in 2012 or 2011.

9. Income Taxes

The application of SSAP No. 101 requires a company to evaluate the recoverability of the deferred tax asset (DTA) and to establish a valuation allowance, if necessary, to reduce the DTA to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company considers many factors, including: (1) the nature of DTAs and deferred tax liabilities (DTLs); (2) whether they are ordinary or capital; (3) the timing of their reversal; (4) taxable income in prior carryback years as well as projected taxable earnings exclusive of reversing temporary differences and carryforwards; (5) the length of time that carryovers can be utilized; (6) unique tax rules that would impact the utilization of the DTAs; and (7) tax planning strategies that the Company would employ to avoid a tax benefit from expiring unused. Management believes it is more likely than not that the DTA will be realized. Accordingly, the Company has not recorded a valuation allowance as of December 31, 2012.

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	12/31/2012			12/31/2011			Change		
	1 Ordinary	2 Capital	3 (Co11+2) Total	4 Ordinary	5 Capital	6 (Co14+5) Total	7 Ordinary	8 Capital	9 (Co17+8) Total
(a) Gross DTA	\$ 5,307,743	\$ 434	\$ 5,308,177	\$ 5,299,522	\$ 38,033	\$ 5,337,555	\$ 8,221	\$ (37,599)	\$ (29,378)
(b) Statutory valuation allowance adjustments	0	0	0	0	0	0	0	0	0
(c) Adjusted gross DTA (1a - 1b)	5,307,743	434	5,308,177	5,299,522	38,033	5,337,555	8,221	(37,599)	(29,378)
(d) DTA nonadmitted	279,764	0	279,764	833,513	0	833,513	(553,749)	0	(553,749)
(e) Subtotal net admitted DTA (1c - 1d)	5,027,979	434	5,028,413	4,466,009	38,033	4,504,042	561,970	(37,599)	524,371
(f) DTL	0	0	0	0	60,351	60,351	0	(60,351)	(60,351)
(g) Net admitted DTA / (Net DTL) (1e - 1f)	\$ 5,027,979	\$ 434	\$ 5,028,413	\$ 4,466,009	\$ (22,318)	\$ 4,443,691	\$ 561,970	\$ 22,752	\$ 584,722

	12/31/2012			12/31/2011			Change		
	1 Ordinary	2 Capital	3 (Co11+2) Total	4 Ordinary	5 Capital	6 (Co14+5) Total	7 Ordinary	8 Capital	9 (Co17+8) Total
Admission calculation components (SSAP No. 101)									
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 5,027,979	\$ 434	\$ 5,028,413	\$ 4,443,691	\$ 0	\$ 4,443,691	\$ 584,288	\$ 434	\$ 584,722
(b) Adjusted gross DTA expected to be realized (excluding the amount of DTA from (2a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below)	0	0	0	0	0	0	0	0	0
1. Adjusted gross DTA expected to be realized following the balance sheet date	0	0	0	0	0	0	0	0	0
2. Adjusted gross DTA allowed per limitation threshold	xxx	xxx	0	xxx	xxx	0	xxx	xxx	0
(c) Adjusted gross DTA (excluding the amount of DTA from 2(a) and 2(b) above) offset by gross DTL	0	0	0	22,318	38,033	60,351	(22,318)	(38,033)	(60,351)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 (Total (2(a) + 2(b) + 2(c))	\$ 5,027,979	\$ 434	\$ 5,028,413	\$ 4,466,009	\$ 38,033	\$ 4,504,042	\$ 561,970	\$ (37,599)	\$ 524,371

	2012	2011
(a) Ratio percentage used to determine recovery period and threshold limitation amount	403%	N/A
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 214,122,994	N/A

Notes to Financial Statements

4.	12/31/2012			12/31/2011			Change		
	1 Ordinary Percent	2 Capital Percent	3 (Col 1+2) Total Percent	4 Ordinary Percent	5 Capital Percent	6 (Col 4 + 5) Total Percent	7 Ordinary Percent	8 Capital Percent	9 (Col 7 + 8) Total Percent
Impact of tax-planning strategies									
(a) Adjusted gross DTAs (% of total adjusted gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
(b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
(c) Does the Company's tax-planning strategies include the use of reinsurance?				Yes			No		X

B. The Company had no deferred tax liabilities not recognized for foreign subsidiaries or policyholder surplus.

C. The provisions for incurred taxes on earnings for the periods ended December 31, 2012 and December 31, 2011 are:

	1 12/31/2012	2 12/31/2011	3 (Col 1-2) Change
1. Current income tax			
(a) Federal	\$ 23,319,278	\$ 25,211,047	\$ (1,891,769)
(b) Foreign	0	0	0
(c) Subtotal	23,319,278	25,211,047	(1,891,769)
(d) Federal income tax on net capital gains	0	0	0
(e) Utilization of capital loss carry-forwards	0	0	0
(f) Other	0	0	0
(g) Federal and foreign income taxes incurred	\$ 23,319,278	\$ 25,211,047	\$ (1,891,769)
2. Deferred tax assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 2,658,933	\$ 3,433,570	\$ (774,637)
(2) Unearned premium reserve	0	0	0
(3) Policyholder reserves	0	0	0
(4) Investments	0	0	0
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrual	0	0	0
(7) Fixed assets	0	0	0
(8) Compensation and benefits accrual	894,591	838,844	55,747
(9) Performance accrual	5,695	10,395	(4,700)
(10) Receivables – nonadmitted	1,748,524	1,016,713	731,811
(11) Net operating loss carryforward	0	0	0
(12) Tax credit carryforward	0	0	0
(13) Other (including items <5% of total ordinary tax assets)	0	0	0
(99) Subtotal	5,307,743	5,299,522	8,221
(b) Statutory valuation allowance adjustment	0	0	0
(c) Nonadmitted	279,764	833,513	(553,749)
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	5,027,979	4,466,009	561,970
(e) Capital:			
(1) Investments	434	38,033	(37,599)
(2) Net capital loss carry-forward	0	0	0
(3) Real estate	0	0	0
(4) Other (including items <5% of total capital tax assets)	0	0	0
(99) Subtotal	434	38,033	(37,599)
(f) Statutory valuation allowance adjustment	0	0	0
(g) Nonadmitted	0	0	0
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	434	38,033	(37,599)
(i) Admitted deferred tax assets (2d + 2h)	\$ 5,028,413	\$ 4,504,042	\$ 524,371

Notes to Financial Statements

	1 12/31/2012	2 12/31/2011	3 (Col 1-2) Change
3. Deferred tax liabilities			
(a) Ordinary			
(1) Investments	\$ 0	\$ 0	\$ 0
(2) Fixed Assets	0	0	0
(3) Deferred and uncollected premium	0	0	0
(4) Policyholder reserves	0	0	0
(5) Other (including items <5% of total ordinary tax assets)	0	0	0
(99) Subtotal	<u>0</u>	<u>0</u>	<u>0</u>
(b) Capital:			
(1) Investments	0	60,351	(60,351)
(2) Real estate	0	0	0
(3) Other (including items <5% of total capital tax assets)	0	0	0
(99) Subtotal	<u>0</u>	<u>60,351</u>	<u>(60,351)</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ 0</u>	<u>\$ 60,351</u>	<u>\$ (60,351)</u>
4. Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 5,028,413</u>	<u>\$ 4,443,691</u>	<u>\$ 584,722</u>

- D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before taxes. The significant items causing this difference are as follows:

	<u>December 31, 2012</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 23,138,828	35.0%
SSAP adjustment to SSAP 5R tax liability	(138,096)	(0.2%)
2011 Federal tax true-up adjustment	(48,337)	(0.1%)
Change in net deferred income taxes	<u>366,883</u>	<u>0.6%</u>
Federal and foreign income taxes incurred	<u>\$ 23,319,278</u>	<u>35.3%</u>

- E. The Company had no net capital loss carryforwards or net operating loss carryforwards.

- F. The Company's federal income tax return is consolidated with the following entities:

- (1) BeneVive, Inc.
BlueCross BlueShield of Tennessee, Inc.
Golden Security Insurance Company
Group Insurance Services, Inc.
Onlife Health, Inc.
Riverbend Government Benefits Administrator, Inc.
RiverTrust Solutions, Inc.
SecurityCare of Tennessee, Inc.
Shared Health, Inc.
Southern Diversified Business Services, Inc.
- (2) The method of tax allocation between the members of the affiliated group is subject to a written agreement, approved by the Company's board of directors. Allocation is based on a percentage calculation. Intercompany tax balances are settled monthly if the Company has funds available.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. The Company is a subsidiary of Southern Diversified Business Solutions (SDBS). BlueCross BlueShield of Tennessee, Inc. (BCBST or Parent) owns 100% of BeneVive, Inc. (BeneVive) and SDBS.

BeneVive owns 100% of the for-profit corporations Shared Health, Inc. (Shared Health), Riverbend Government Benefits Administrator, Inc. (Riverbend), RiverTrust Solutions, Inc. (RiverTrust) and Onlife Health, Inc. (Onlife). Shared Health is a health information technology company. Riverbend performed services as a Medicare administrative subcontractor for CGS Administrators, LLC (CGS) under the Jurisdiction 15 contract. CGS terminated the subcontract with Riverbend, effective December 5, 2011. RiverTrust is a Qualified Independent Contractor that contracted to perform Medicare appeals workloads. The contract was terminated effective April 2011. Onlife mitigates the rising cost of health care by encouraging the formation of healthy lifestyle behaviors and providing case management for existing illnesses. BeneVive owned 100% of Security Care, Inc. which was dissolved effective November 2, 2011.

SDBS owns 100% of the for-profit corporations Golden Security Insurance Company (Golden Security), Group Insurance Services, Inc. (GIS), VSHP and SecurityCare of Tennessee, Inc. (SecurityCare). Golden Security is licensed to provide health, term life, disability and other insurance, and began providing aggregate stop-loss coverage effective January 1, 2012. GIS is an insurance broker. VSHP is contracted by the State of Tennessee to provide services for TennCare members. SecurityCare was created in December 2012 and will offer Medicare Advantage HMO products within the state of Tennessee beginning in 2014, pending approval from the Centers for Medicare and Medicaid Services. The TDCI approved licensure for SecurityCare effective February 11, 2013.

Notes to Financial Statements

Tennessee Health Foundation, Inc. (THF), doing business as BlueCross BlueShield of Tennessee Health Foundation, is a public benefit not-for-profit Tennessee corporation that promotes charitable activities. BCBST appoints the board of directors of THF, which has been granted a 501(c)(3) tax exemption by the Internal Revenue Service.

Southern Health Plan, Inc. (SHP), doing business as BlueCross BlueShield of Tennessee Community Trust, is a not-for-profit Tennessee corporation created for the purpose of improving the quality of health care in Tennessee, primarily through contributions to other tax-exempt organizations. BCBST appoints the board of directors of SHP, which has been granted a 501(c)(4) tax exemption by the Internal Revenue Service.

As of December 31, 2012, BCBST directly or indirectly owned common and preferred stock of its subsidiaries and affiliates as follows:

Subsidiary and Affiliate Stock Owned		
	Shares Held	% of O/S Shares Held
Owned by BCBST:		
SDBS	4,000	100%
BeneVive	100	100%
Owned by BeneVive:		
Onlife	1,000	100%
Shared Health	1,000	100%
RiverTrust	800	100%
Owned by SDBS:		
Golden Security	1,500,000	100%
VSHP	1,000	100%
GIS	500	100%
SecurityCare	100	100%

B&C. BCBST transferred \$3,050,000 and \$450,000 for the years ended December 31, 2012 and 2011, respectively, to SDBS as capital contributions. Of these capital contributions, \$3,000,000 was passed through to SecurityCare for the year ended December 31, 2012. No amounts were passed through to SDBS owned entities for the year ended December 31, 2011.

BCBST received \$124,616,711 and \$125,605,610 from its subsidiaries in 2012 and 2011, respectively, net of payments to subsidiaries. SDBS paid a cash dividend to BCBST of \$1,063,367 and \$500,000 in 2012 and 2011, respectively. No other dividends were paid to BCBST, and no contributed capital was returned to BCBST in 2012 or 2011.

The Company paid BCBST for services performed under administrative services and tax sharing agreements. For the twelve months ended December 31, the Company paid \$125,324,238 and \$145,668,686 in 2012 and 2011, respectively. Payments are net of reimbursements to the Parent for Cover Tennessee, MedAdvantage and other operations.

- D. The Company reported \$23,894,182 and \$16,820,969 as due to Parent as of December 31, 2012 and 2011, respectively.
- E. As of December 31, 2012, the Company had no guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that result in a material contingent exposure of the Company's or any related party's assets or liabilities. See also Note 14.
- F. BCBST is the contractor for several state sponsored agreements, separately administered, under the Cover Tennessee program. BCBST is contractor for CoverKids pursuant to T.C.A. § 71-3-1101 et seq.; CoverTN pursuant to T.C.A. § 56-7-3001 et seq.; and AccessTN pursuant to T.C.A. § 56-7-2901 et seq. BCBST subcontracts with its wholly-owned subsidiary, VSHP, to provide certain services required under the Cover Tennessee contracts, including but not limited to medical management, outreach and education, and other related services. The provision of services and related expenses is documented in the form of intercompany administrative services agreements between BCBST and VSHP.

On April 18, 2008, the Tennessee Department of Finance and Administration approved VSHP to act as a subcontractor under the Cover Tennessee contracts pursuant to these intercompany agreements. The risk for the Cover Tennessee contracts is retained by BCBST and the financial balances related to the Cover Tennessee contracts are recorded on the financial statements of BCBST. VSHP is compensated for costs incurred under the administrative services agreements through intercompany payables and receivables, which are cleared periodically.

The Company also provides certain services for BCBST's MedAdvantage and other operations, including but not limited to medical director review of appeals and denials. The cost of services performed by the Company is fully reimbursed by BCBST.

- G. All outstanding shares of the Company are owned by SDBS, an insurance holding company 100% owned by BCBST and domiciled in the State of Tennessee.
- H. The Company deducted no amounts from the value of an upstream intermediate entity or parent-owned entity, either directly or indirectly, via a downstream SCA entity, in accordance with the *Purposes and Procedures* of the Securities Valuation Office of the NAIC, "Procedures for Valuing Common Stocks and Stock Warrants."
- I. The Company had no investments in an SCA entity that exceeds 10% of admitted assets.
- J. The Company had no investments in an impaired SCA entity.
- K. The Company had no investments in foreign insurance subsidiaries.
- L. The Company is not using the look-through approach to admit any investment in an SCA entity, joint venture, partnership or limited liability company.

Notes to Financial Statements

11. Debt

The Company had no debt.

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

All disclosures of retirement plans, postemployment benefits and other postretirement benefit plans are included in BCBST's statement.

- A. All disclosures related to defined benefit plans are included in BCBST's statement.
- B. All disclosures related to defined contribution plans are included in BCBST's statement.
- C. The Company did not participate in multiemployer plans sponsored by other holding companies.
- D. The Company participates in BCBST's defined benefit plans and defined contribution plans.
- E. All disclosures related to postemployment benefits and compensated absences are included in BCBST's statement.
- F. All disclosures related to the Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) are included in BCBST's statement.

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

- (1) The Company had 1,000 shares of common stock authorized, issued and outstanding as of December 31, 2012. Par or stated value is \$.01 per share.
- (2) The Company had no preferred stock outstanding.
- (3) In accordance with T.C.A. § 56-11-106(b), the maximum amount of dividends which can be paid by State of Tennessee insurance companies to shareholders without prior approval of the Insurance Commissioner is subject to restrictions relating to the greater of ten percent (10%) of net worth of the preceding December 31 or the net gain from operations for the preceding year. The Company may only pay dividends to BCBST from excess Unassigned funds (surplus) without prior approval of the Insurance Commissioner.
- (4) No dividends were paid by the Company in 2012.
- (5) Within the limitations of (3) above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) The Company's statutory deposit, required by the State of Tennessee, was \$34,850,000 at December 31, 2012. Assets in the amount of \$35,939,656 for the period ended December 31, 2012, were on deposit with government authorities or trustees.
- (7) The Company had no advances to surplus not repaid.
- (8) The Company had no stock, including stock of affiliated companies, held for special purposes.
- (9) The Company had no special surplus funds.
- (10) The portion of Unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$58,099.
- (11) The Company had no surplus debentures or similar obligations.
- (12) No quasi-reorganizations occurred in 2012.
- (13) No quasi-reorganizations occurred in the past ten years.

14. Contingencies

- A. (1) In the first quarter of 2008, BCBST raised \$200,000,000 in order to help finance the construction of its headquarters in Chattanooga. The Industrial Development Board of the City of Chattanooga issued \$200,000,000 of taxable variable rate demand revenue bonds on March 14, 2008 and made these funds available to BCBST pursuant to a lease agreement between the issuer and BCBST. The payment of principal and interest on the bonds is secured by an irrevocable, direct-pay letter of credit issued by Bank of America, N.A. The bonds are subject to mandatory redemption upon certain events as described in the debt agreements. The letter of credit will expire on March 14, 2013.

Effective February 1, 2010 through December 22, 2011, the Company was a guarantor of the BCBST \$200,000,000 financing. On December 22, 2011, VSHP was released from its obligations under the guaranty. As a condition of the release of the guaranty, VSHP entered into a springing guaranty agreement, effective December 22, 2011, whereby VSHP will become a guarantor of BCBST's financing if any of the following events occur:

- 1. BCBST's Risk Based Capital (RBC) Ratio falls below 6.0x; or
- 2. VSHP's net assets exceed 20% of the consolidated net assets of BCBST and its subsidiaries; or
- 3. An event of default occurs under the financing agreements.

It is expected that effective in March 2013, the letter of credit will be replaced with a direct purchase option financing agreement whereby Bank of America N.A. will purchase and hold the debt. VSHP will not be a guarantor under the direct purchase arrangement; therefore VSHP's springing guaranty agreement will no longer be in effect. See also Note 22.

Notes to Financial Statements

(2)

1	2	3	4	5
Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee	Ultimate financial statement impact if action under guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee	Current status of payment or performance risk of guarantee
See discussion above.	The Company is not liable as a guarantor until the occurrence of a triggering event. No triggering event occurred as of December 31, 2012, therefore no liability is recognized.	Not applicable as the springing agreement has not taken effect and no guarantee is in place.	Not applicable as the springing agreement has not taken effect and no guarantee is in place.	<ol style="list-style-type: none"> 1. BCBST's RBC ratio has been sufficient since the effective date of the agreement; 2. VSHP's net assets comprise less than 1% of BCBST and subsidiaries consolidated net assets; 3. BCBST consistently has sufficient capital to prevent default under the financing agreements.

(3) The Company is not liable as a guarantor until the occurrence of a triggering event; therefore no liability is reported in the financial statements. No triggers requiring performance under this guaranty have occurred subsequent to December 31, 2012 through the events subsequent consideration date February 25, 2013.

- B. (1) The Company receives periodic liquidated damage assessments from the State of Tennessee, primarily related to operational performance targets. A corresponding liability has been recognized under SSAP No. 35R, *Guaranty Fund and Other Assessments*, in the amount of \$16,272 for the year ended December 31, 2012.
- (2) The Company did not record assets for premium tax credits or policy surcharges related to the liquidated damage assessments.
- C. The Company had no gain contingencies not recognized in the Company's financial statements as required in SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets - Revised*.
- D. The Company had no claims related extra contractual obligation and bad faith losses stemming from lawsuits which would have had a material financial effect.
- E. Lawsuits and other claims occur in the normal course of business and are pending against the Company. Management, after consultation with legal counsel, is of the opinion that the lawsuits and other claims, when resolved, will not have a material effect on the accompanying financial statements. The Company has no other contingencies to be reported as required by SSAP No. 5R.

15. Leases

- A. The Company had no lessee leasing arrangements.
- B. Leasing is not a part of the Company's business activities.

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

The Company had no financial instruments with off-balance-sheet risk.

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

- A. The Company had no transfer of receivables reported as sales (SSAP No. 42, *Sale of Premium Receivables*).
- B. The Company had no transfers and servicing of financial assets and extinguishment of liabilities (SSAP No. 91R, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*).
- C. The Company had no wash sales involving transactions for securities with an unrated NAIC designation or a designation of 3 or below (SSAP No. 91R).

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

A. ASO Plans

TennCare Select and the Stabilization Plan are ASO arrangements with the State of Tennessee, effective July 1, 2001 and July 1, 2002, respectively. Cash and invested assets related to TennCare Select and the Stabilization Plan are reported in the appropriate categories on the Assets statement. Premium tax receivable from the State of Tennessee is netted against premium tax payable to the State of Tennessee for premium taxes related to ASO plans. Other assets and liabilities related to TennCare Select and the Stabilization Plan are netted and reported either on page 2, line 17 in the category labeled Amounts receivable relating to uninsured plans or on page 3, line 22 in the category labeled Liability for amounts held under uninsured plans.

Notes to Financial Statements

The Company had an Emergency Room Diversion Grant (ERDG) contract with the State of Tennessee Department of Finance and Administration. Under this contract the Company was fully reimbursed for costs related to the administration of the grant. The contract ended on April 15, 2011.

Amounts receivable from ASO plans at December 31, 2012 reflected on page 2, line 17, are as follows:

	<u>Amount</u>
a. Select Community premium accrual	\$ 1,234,013
b. Unbilled expenses (timing differences)	1,074,308
c. Medical management	252,000
d. Miscellaneous	211,455
Total amounts receivable relating to ASO plans	<u>\$ 2,771,776</u>

The gain from operations from ASO uninsured plans and the uninsured portion of partially insured plans were as follows during 2012:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 2,840,270	\$ 0	\$ 2,840,270
b. Total net other income or expenses (including interest paid to or received from plans)	0	0	0
c. Net gain from operations	\$ 2,840,270	\$ 0	\$ 2,840,270
d. Total claim payment volume	\$ 346,843,852	\$ 0	\$ 346,843,852

B. The Company had no ASC plans in 2012 or 2011.

C. The Company had no Medicare or other similarly structured cost based reimbursement contract.

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

The Company had no direct premiums written and/or produced by managing general agents or third party administrators.

20. Fair Value Measurement

A&B. The Company holds only investment grade bonds in its investment portfolio, which are reported at amortized cost in accordance with SSAP No. 26, *Bonds, Excluding Loan-backed and Structured Securities*. The Company is not required to report any of its assets or liabilities at fair value under SSAP No. 100, *Fair Value Measurements*. At December 31, 2012, the average credit rating of the Company's fixed income portfolio was AA. The Company held no equity securities, mutual fund investments, mortgage loans, non-agency residential mortgage-backed securities, Alt-A securities or auction rate securities at December 31, 2012.

C. The Company has categorized its assets required to be disclosed at fair value into the three level hierarchy based on the priority of the inputs to the respective valuation technique. The Company had no liabilities required to be disclosed at fair value as of December 31, 2012 or 2011. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Classification of the assets or liabilities within the fair value hierarchy is based on the lowest level of significant input to its valuation. The guidance defines the input levels as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in markets that are not active or other inputs that are observable or can be derived principally from, or corroborated with, observable market data for substantially the full term of the asset or liability.

Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the asset or liability. Unobservable inputs reflect the Company's opinions about the assumptions market participants would use in pricing the asset or liability. Level 3 assets include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Transfers between levels, if any, are reflected as of the beginning of the reporting period of the transfer. During 2012, \$17,828,998 of bonds were transferred from Level 2 to Level 1 primarily due to improved access to information regarding unadjusted quoted prices in active markets for identical assets and turnover in the Company's portfolio holdings during the year.

Notes to Financial Statements

Fair values are based on quoted market prices when available. In instances where there is little or no market activity for the same or similar instruments, management estimates fair value using methods, models and assumptions a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve estimation and judgment, which could become significant with increasingly complex instruments or pricing models. The degree of judgment utilized in measuring fair value generally correlates to the level of pricing observability. Pricing observability is generally impacted by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction and overall market conditions. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

Valuation techniques for estimating fair value are generally categorized into three types. The market approach uses prices and other relevant information from market transactions involving identical or comparable assets or liabilities. The income approach converts future amounts, such as cash flows or earnings, to a single present value. The cost approach is based on the amount that would be required to replace the asset or the service capacity of the asset. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is reasonably available. The Company applied valuation techniques on a consistent basis to similar assets at December 31, 2012 and 2011.

The following tables provide information about the fair value of the Company's financial assets as of December 31, 2012 and December 31, 2011:

	December 31, 2012				
	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3
Bonds issued by U.S. government and government agencies and authorities	\$ 56,278,480	\$ 56,070,665	\$ 42,803,550	\$ 13,474,930	\$ 0
Bonds issued by foreign governments	12,241,682	12,174,324	1,001,100	11,240,582	0
Agency mortgage-backed securities	23,875,907	23,942,171	0	23,875,907	0
Commercial and non-agency mortgage-backed securities	13,797,997	13,808,908	0	13,797,997	0
Asset-backed securities	33,448,870	33,425,506	0	33,448,870	0
Investment grade corporate bonds	126,893,103	125,658,305	27,560,837	99,332,266	0
Total bonds at fair value	266,536,039	265,079,879	71,365,487	195,170,552	0
Short-term investments	75,245,193	75,245,384	75,245,193	0	0
Total assets at fair value	\$341,781,232	\$340,325,263	\$ 146,610,680	\$195,170,552	\$ 0

	December 31, 2011				
	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3
Bonds issued by U.S. government and government agencies and authorities	\$ 64,650,761	\$ 64,413,653	\$19,794,669	\$ 44,856,092	\$ 0
Bonds issued by foreign governments	5,262,762	5,293,910	0	5,262,762	0
Agency mortgage-backed securities	12,389,334	12,144,622	0	12,389,334	0
Commercial and non-agency mortgage-backed securities	6,496,177	6,426,727	0	6,496,177	0
Asset-backed securities	23,269,438	23,240,778	0	23,269,438	0
Investment grade corporate bonds	73,811,059	73,468,696	0	73,811,059	0
Total bonds at fair value	185,879,531	184,988,386	19,794,669	166,084,862	0
Short-term investments	58,289,885	58,289,078	58,289,885	0	0
Total assets at fair value	\$244,169,416	\$243,277,464	\$78,084,554	\$166,084,862	\$ 0

The Company had no financial liabilities at December 31, 2012 or 2011.

Level 1 Financial Assets – \$146,610,680 and \$78,084,554 at December 31, 2012 and December 31, 2011, respectively

Unadjusted quoted prices for Level 1 securities are provided to the Company by independent pricing services. During 2012, \$17,828,998 of bonds were transferred from Level 2 to Level 1 primarily due to improved access to information regarding unadjusted quoted prices in active markets for identical assets and turnover in the Company's portfolio holdings during the year.

Notes to Financial Statements

Level 2 Financial Assets – \$195,170,552 and \$166,084,862 at December 31, 2012 and December 31, 2011, respectively

Fair values of the bonds reported in Level 2 are provided by independent pricing services. The Company has obtained an understanding of the methods, models and inputs used and has controls in place to validate that amounts provided represent current exit prices. For securities not actively traded, the independent pricing services may use quoted market prices of comparable instruments or models, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. Management periodically reviews securities in the portfolio with the Company's investment managers. If unusual fluctuations in pricing or significant variances in pricing from different sources are noted during these reviews, management may obtain additional information from other pricing services, or request an investigation into the evaluation of the security by the pricing service to validate the quoted price. There were no adjustments to quoted market prices obtained from independent pricing services during the periods ended December 31, 2012 and December 31, 2011.

At December 31, 2012, the Company held commercial mortgage-backed securities with a fair value of \$13,797,997 and an average credit rating of AAA and asset-backed securities with a fair value of \$33,448,870 and an average credit rating of AAA.

The portfolio of investment grade commercial mortgaged-backed securities had the following characteristics at December 31, 2012:

- Approximately 28% of the underlying assets were guaranteed or had other credit enhancements and 80% of the market value of the securities consisted of senior-level priority tranches.
- The weighted average maturity of the underlying loans was approximately 2 years and the weighted average duration of the securities was approximately 1.4 years.
- The underlying loans were geographically diversified.

The portfolio of investment grade asset-backed securities had the following characteristics at December 31, 2012:

- Approximately 17% of the underlying assets were guaranteed or had other credit enhancements.
- The weighted average stated maturity of the underlying loans was approximately 3.3 years and the weighted average duration of the securities was approximately 1.2 years.
- The absolute prepayment speed applied to approximately 48% of the asset-backed securities in the portfolio. The estimated weighted average absolute prepayment speed of these securities was approximately 1.4%.

Level 3 Financial Assets

The Company held no Level 3 financial assets at December 31, 2012 or December 31, 2011.

- D. The Company held no financial assets for which it was not practicable to estimate the fair value at December 31, 2012 or December 31, 2011.

21. Other Items

- A. No extraordinary events or transactions outlined in SSAP No. 24, *Discontinued Operations and Extraordinary Items*, occurred in 2012 or 2011.
- B. No troubled debt restructuring defined in SSAP No. 36, *Troubled Debt Restructuring*, occurred in 2012 or 2011.
- C. Other Disclosures
- 1) As of December 31, 2012, assets in the amount of \$35,939,656 were on deposit with government authorities or trustees. See Note 13(6).
 - 2) Expenses are shown on the Statement of Revenue and Expenses net of administrative fees from ASO contracts. The following provides a comparison of expense excluding ASO administrative fees and premium tax.

<u>Line#</u>	<u>Administrative Expenses:</u>	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>% Change</u>
20	Claims adjustment expense	\$ 93,269,676	\$ 89,112,502	
21	General administrative expense	151,980,763	160,252,412	
	Total expense	245,250,439	249,364,914	
	ASO administrative fees	52,493,249	46,573,380	
	Premium tax	(114,943,448)	(113,905,109)	
	Expenses before ASO admin fees and excluding premium tax	<u>\$ 182,800,240</u>	<u>\$ 182,033,185</u>	0.4%

- 3) The Company elected to use rounding in reporting amounts in the statement.
- D. The Company does not anticipate any uncollectible premium balances.
- E. The Company had no business interruption recoveries recognized during 2012 or 2011.
- F. The Company had no state transferable and non-transferable tax credits.

Notes to Financial Statements

- G. The Company had no investments in subprime mortgages or bonds backed by subprime mortgages in 2012 or 2011.
- H. The Company had no retained asset accounts for beneficiaries.

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 25, 2013 for the statutory statement issued on March 1, 2013. The Company had no required disclosures of Type I events (SSAP No. 9, *Subsequent Events*).

Type II – Non-recognized Subsequent Events:

Subsequent events have been considered through February 25, 2013 for the statutory statement issued on March 1, 2013. It is expected that in March 2013 BCBST will enter into a direct purchase financing agreement with Bank of America N.A., whereby Bank of America N.A. will purchase the \$200,000,000 variable rate demand revenue bonds issued on behalf of BCBST. This transaction will eliminate the need for the current letter of credit issued with the bonds that is set to expire in March 2013. The Company's springing guaranty with BCBST will no longer be in effect when the letter of credit expires. See Note 14(A) for additional information on the Company's springing guaranty.

23. Reinsurance

- A. The Company did not have any reinsurance where the disclosures required by this section are applicable.
- B. The Company did not write off any uncollectible reinsurance in 2012.
- C. The Company had no amounts reported in its operations in the current year as a result of commutation of ceded reinsurance.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

There were no net premiums written by the Company through December 31, 2012 that are subject to retrospective rating features.

25. Change in Incurred Claims and Claim Adjustment Expenses

As of December 31, 2011, the reserve for unpaid insured claims and claim adjustment expenses, net of gross healthcare receivables, was \$167,567,459. Through December 31, 2012, \$151,198,539 was paid for expenses attributable to insured events of prior years. The re-estimation of reserves for unpaid insured claims and claim adjustment expenses for 2011 and prior based on the latest information known regarding individual claims, as well as the ongoing analysis of recent loss development trends, resulted in a favorable prior-year development of \$19,514,442. The reserve remaining for prior loss years was \$(3,145,222) as of December 31, 2012.

26. Intercompany Pooling Arrangements

The Company had no intercompany pooling arrangements under which the pool participants cede substantially all of their direct and assumed business to a pool (SSAP No. 63, *Underwriting Pools and Associations Including Intercompany Pools*).

27. Structured Settlements

Not applicable to health entities.

28. Health Care Receivables

- A. The Company had no pharmaceutical rebate receivables in 2012, 2011 or 2010.
- B. The Company had no risk sharing receivables where the receivable and payable balances with a single provider were netted in 2012, 2011 or 2010.

29. Participating Policies

The Company had no participating contracts where the Company pays policyholder dividends (SSAP No. 54).

30. Premium Deficiency Reserves

The Company had no premium deficiency reserves.

31. Anticipated Salvage and Subrogation

The Company considered anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$372,520 and \$0 for the years ended December 31, 2012 and 2011, respectively.

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GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Tennessee
- 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[X] No[]
- 2.2 If yes, date of change: 05/01/2012
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008
- 3.3 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). 02/23/2011
- 3.4 By what department or departments?
Tennessee Department of Commerce and Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the 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
.....

- 6.1 Has the 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]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....

- 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 the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, Republic Centre, Suite 1500, 633 Chestnut Street, Chattanooga, TN 37450
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[] No[] N/A[X]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
The VSHP bylaws state, "As part of the BCBST Enterprise, the BCBST Board and its standing Committees [including the Enterprise Audit Committee] shall have oversight of all wholly owned subsidiaries and affiliates, including the Corporation."
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
James Howard Srite, FSA, MAAA - 1 Cameron Hill Circle, Chattanooga, TN 37402 - Appointed Actuary, VSHP

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved 0
 12.13 Total book/adjusted carrying value \$ 0
 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [] N/A [X]
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 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.
 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [X] No []
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 The annual review of the VSHP Code of Business Conduct resulted in formatting changes. The primary content and standards of the Code were unchanged.
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers \$ 0
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
 24.02 If no, give full and complete information, relating thereto
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
- 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
- 24.103 Total payable for securities lending reported on the liability page. \$ 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Pledged as collateral \$ 0
- 25.26 Placed under option agreements \$ 0
- 25.27 Letter stock or securities restricted as to sale \$ 0
- 25.28 On deposit with state or other regulatory body \$ 35,939,656
- 25.29 Other \$ 0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

28. 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 I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon	One Mellon Center, Pittsburgh, PA 15258

28.02 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)

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[] No[X]
- 28.04 If yes, give full and complete information relating thereto:

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

28.05 Identify all investment advisers, 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 Number(s)	2 Name	3 Address
Exempt	Income Research and Management	Two International Place 23rd Floor, Boston, MA 02110-4106
705	Raymond James	50 Front Street, Memphis, TN 38103
102920	JP Morgan	270 Park Avenue 4th Floor, New York NY 10017

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[] No[X]
- 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total		

29.3 For each mutual fund listed in the table above, complete the following schedule:

GENERAL INTERROGATORIES (Continued)

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	265,079,879	266,536,039	1,456,160
30.2 Preferred stocks			
30.3 Totals	265,079,879	266,536,039	1,456,160

30.4 Describe the sources or methods utilized in determining the fair values
Fair values were obtained from the custodian - Bank of New York, Mellon.

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[] N/A[]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
- 32.2 If no, list exceptions:

OTHER

- 33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 0
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1	2
Name	Amount Paid

- 34.1 Amount of payments for legal expenses, if any? \$ 0
- 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0
- 35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only: \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned \$ 0
- 1.62 Total incurred claims \$ 0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ 0
- 1.65 Total incurred claims \$ 0
- 1.66 Number of covered lives 0
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned \$ 0
- 1.72 Total incurred claims \$ 0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ 0
- 1.75 Total incurred claims \$ 0
- 1.76 Number of covered lives 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	1,690,789,890	1,695,982,644
2.2 Premium Denominator	1,690,789,890	1,695,982,644
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	143,906,201	160,478,458
2.5 Reserve Denominator	143,906,201	160,478,458
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [] N/A[X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No[X]
- 5.2 If no, explain:
The Company, with guaranty from Parent to maintain 200% RBC level, is sufficient size to cover full-risk.
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ 0
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental & Vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
If insolvency occurs, Parent satisfies claims for the covered period. All agreements with providers include statutory hold harmless provisions. Other MCOs in the State would be required to take enrollees.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 20,961
- 8.2 Number of providers at end of reporting year 22,051
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[X] No []
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 2,000,000
- 10.22 Amount actually paid for year bonuses \$ 1,853,287
- 10.23 Maximum amount payable withholds \$ 0
- 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No[X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No[X]
- 11.14 A Mixed Model (combination of above)? Yes [] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No []
- 11.3 If yes, show the name of the state requiring such net worth.
Tennessee
- 11.4 If yes, show the amount required. \$ 34,850,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes[X] No []
- 11.6 If the amount is calculated, show the calculation.
4% times the first \$150M in dollars projected plus 1.5% for any dollars projected over the first \$150M
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
First Tennessee CSA, TN
Southeast CSA, TN
Upper Cumberland CSA, TN
Hamilton County CSA, TN
Mid-Cumberland CSA, TN
South Central CSA, TN

GENERAL INTERROGATORIES (Continued)

1 Name of Service Area
Davidson County CSA, TN
Northwest CSA, TN
Southwest CSA, TN
Shelby County CSA, TN
East Tennessee CSA, TN
Knox County CSA, TN

- 13.1 Do you act as a custodian for health savings accounts?
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date:
- 13.3 Do you act as an administrator for health savings accounts?
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date:

Yes [] No [X] 0
 \$
 Yes [] No [X] 0
 \$

FIVE-YEAR HISTORICAL DATA

	1 2012	2 2011	3 2010	4 2009	5 2008
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	450,399,769	393,928,502	490,517,926	270,182,565	151,642,822
2. TOTAL Liabilities (Page 3, Line 24)	232,683,039	218,893,393	385,596,366	183,270,157	124,786,521
3. Statutory surplus	34,850,000	34,651,682	34,651,682	25,326,692	25,326,692
4. TOTAL Capital and Surplus (Page 3, Line 33)	217,716,730	175,035,109	104,921,560	86,912,408	26,856,301
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	1,690,789,890	1,695,982,644	1,416,266,552	1,197,311,190	77,924,108
6. TOTAL Medical and Hospital Expenses (Line 18)	1,383,251,050	1,351,621,487	1,215,050,847	1,130,371,735	76,120,732
7. Claims adjustment expenses (Line 20)	93,269,676	89,112,502	93,657,151	85,775,902	18,622,849
8. TOTAL Administrative Expenses (Line 21)	151,980,763	160,252,412	130,639,008	79,244,800	11,153,144
9. Net underwriting gain (loss) (Line 24)	62,288,401	94,996,243	(23,080,454)	(98,081,247)	(70,635,884)
10. Net investment gain (loss) (Line 27)	3,822,538	3,713,914	3,798,751	2,452,271	1,531,325
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	42,791,661	73,499,110	(21,974,824)	(64,415,657)	(61,776,488)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	42,721,975	(67,157,338)	151,423,410	(8,174,727)	54,566,792
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	217,716,730	175,035,109	104,921,560	86,912,408	26,856,301
15. Authorized control level risk-based capital	53,197,301	51,819,531	47,404,533	43,032,479	4,445,487
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	393,856	403,278	415,198	418,045	189,281
17. TOTAL Members Months (Column 6, Line 7)	4,779,443	4,911,134	5,025,561	5,204,333	369,733
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	81.8	79.7	85.8	94.4	97.7
20. Cost containment expenses	3.3	3.0	3.8	2.1	7.2
21. Other claims adjustment expenses	2.2	2.2	2.8	5.1	16.7
22. TOTAL Underwriting Deductions (Line 23)	96.3	94.4	101.6	108.2	190.6
23. TOTAL Underwriting Gain (Loss) (Line 24)	3.7	5.6	(1.6)	(8.2)	(90.6)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	140,971,932	149,464,119	119,957,478	54,618,584	76,120,732
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	159,553,037	184,253,968	143,964,733	62,220,304	
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL investment in parent included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain::



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: Volunteer State Health Plan, Inc. 2. LOCATION: BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR

NAIC Group Code 3498 NAIC Company Code 14046

	1		2		3		4	5	6	7	8	9	10
	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	403,278											403,278	
2. First Quarter	399,694											399,694	
3. Second Quarter	397,704											397,704	
4. Third Quarter	398,971											398,971	
5. Current Year	393,856											393,856	
6. Current Year Member Months	4,779,443											4,779,443	
TOTAL Member Ambulatory Encounters for Year:													
7. Physician	4,960,342											4,960,342	
8. Non-Physician	431,334											431,334	
9. TOTAL	5,391,676											5,391,676	
10. Hospital Patient Days Incurred	322,526											322,526	
11. Number of Inpatient Admissions	46,756											46,756	
12. Health Premiums Written (b)	1,690,789,890											1,690,789,890	
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned													
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services	1,401,257,985											1,401,257,985	
18. Amount Incurred for Provision of Health Care Services	1,383,251,050											1,383,251,050	

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (b) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (c) For health business: amount of Medicare Title XVIII exempt from state taxes or fees \$0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

NAIC Group Code 3498 NAIC Company Code 14046
 REPORT FOR: 1. CORPORATION: 2. LOCATION:
 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR

	1		2		3	4	5	6	7	8	9	10
	Total	Individual	Comprehensive (Hospital & Medical)	Group								
TOTAL Members at end of:												
1. Prior Year	403,278										403,278	
2. First Quarter	399,694										399,694	
3. Second Quarter	397,704										397,704	
4. Third Quarter	398,971										398,971	
5. Current Year	393,856										393,856	
6. Current Year Member Months	4,779,443										4,779,443	
TOTAL Member Ambulatory Encounters for Year:												
7. Physician	4,960,342										4,960,342	
8. Non-Physician	431,334										431,334	
9. TOTAL	5,391,676										5,391,676	
10. Hospital Patient Days Incurred	322,526										322,526	
11. Number of Inpatient Admissions	46,756										46,756	
12. Health Premiums Written (b)	1,690,789,890										1,690,789,890	
13. Life Premiums Direct												
14. Property/Casualty Premiums Written												
15. Health Premiums Earned												
16. Property/Casualty Premiums Earned												
17. Amount Paid for Provision of Health Care Services	1,401,257,985										1,401,257,985	
18. Amount Incurred for Provision of Health Care Services	1,383,251,050										1,383,251,050	

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$0

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Domiciliary Jurisdiction	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
NONE											
0999999 Total (Sum of 0399999 and 0699999)											

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> N O N E </div>						
1799999 Total (Sum of 0799999 and 1499999)						

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10		11	12	13
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance	
NONE													
4799999 Total (Sum of 2299999 and 4499999)													

SCHEDULE S - PART 4 Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	Letter of Credit Issuing or Confirming Bank (a)		13	14	15	16	17	
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Totals (Cols. 5 + 6 + 7)	Letters of Credit	10 American Bankers Association (ABA) Routing Number	11 Letter of Credit Code	12 Bank Name	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+13+14 +15+16 But Not in Excess of Col. 8	
2599999 Total (Sum of 1599999 and 2299999)																
									XXX	XXX	XXX					

(a)	NONE
Code	
American Bankers Association (ABA) Routing Number	
Name	

SCHEDULE S - PART 5 Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (000 Omitted)

Line Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Collateral			22	23	24																						
																		18	19	20																									
	Federal ID Number	NAIC Company Code	Effective Date	Name of Reinsurer	Domestic Jurisdiction	Certified Reinsurer Rating (1 through 6)	Effective Date of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% - 100%)	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debts	Total Recoverable from Reinsurer (Col. 9 + 10 + 11)	Miscellaneous Balances (Credit)	Net Obligation Subject to Collateral	Dollar Amount of Collateral Required (Col. 14 times Col. 8)	Multiple Beneficiary Trust	Letters of Credit	American Bankers Association (ABA Routing Number)	Letter of Credit Issuing or Confirming Bank (a)	Letter of Credit Code	Funds Deposited by and Withheld From Reinsurers	Other	Total Collateral Provided (Col. 16 + 17 + 21 + 22 + 23)																						
2599999	NONE																																												
	Total (Sum of 1599999 and 2299999)																																												

SCHEDULE S - PART 5 (Continued)
Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (000 Omitted)

Line Number	4 Name of Reinsurer	25 Percent of Collateral Provided for Net Amount Recoverable from Reinsurer (Col. 24 / Col. 14)	26 Percent Credit Allowed on Net Amount Recoverable from Reinsurer (Col. 25 / Col. 8, not to exceed 100%)	27 Amount of Credit Allowed for Net Amount Recoverable from Reinsurer (Col. 14 x Col. 26)	28 Liability for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 14 - Col. 27)
2599999	Total (Sum of 1599999 and 2299999)				

(a)

Code	American Bankers Association (ABA) Routing Number	NONE	Name

SCHEDULE S - PART 6
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2012	2 2011	3 2010	4 2009	5 2008
A. OPERATIONS ITEMS					
1. Premiums					
2. Title XVIII-Medicare					
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. TOTAL Hospital and Medical Expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses					
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances due					
11. Unauthorized reinsurance offset	NONE				
12. Offset for reinsurance with Certified Reinsurers			X X X	X X X	X X X
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
13. Funds deposited by and withheld from (F)					
14. Letters of credit (L)					
15. Trust agreements (T)					
16. Other (O)					
D. REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)					
17. Multiple Beneficiary Trust		X X X	X X X	X X X	X X X
18. Funds deposited by and withheld from (F)		X X X	X X X	X X X	X X X
19. Letters of credit (L)		X X X	X X X	X X X	X X X
20. Trust agreements (T)		X X X	X X X	X X X	X X X
21. Other (O)		X X X	X X X	X X X	X X X

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	441,094,237		441,094,237
2. Accident and health premiums due and unpaid (Line 15)			
3. Amounts recoverable from reinsurers (Line 16.1)			
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)	9,305,532		9,305,532
6. TOTAL Assets (Line 28)	450,399,769		450,399,769
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	142,904,068		142,904,068
8. Accrued medical incentive pool and bonus payments (Line 2)	1,002,133		1,002,133
9. Premiums received in advance (Line 8)			
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			
11. Reinsurance in unauthorized companies (Line 20 minus inset amount)			
12. Reinsurance with Certified Reinsurers (Line 20 inset amount)			
13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount)			
14. All other liabilities (Balance)	88,776,838		88,776,838
15. TOTAL Liabilities (Line 24)	232,683,039		232,683,039
16. TOTAL Capital and Surplus (Line 33)	217,716,730	X X X	217,716,730
17. TOTAL Liabilities, Capital and Surplus (Line 34)	450,399,769		450,399,769
NET CREDIT FOR CEDED REINSURANCE			
18. Claims unpaid			
19. Accrued medical incentive pool			
20. Premiums received in advance			
21. Reinsurance recoverable on paid losses			
22. Other ceded reinsurance recoverables			
23. TOTAL Ceded Reinsurance Recoverables			
24. Premiums receivable			
25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers			
26. Unauthorized reinsurance			
27. Reinsurance with Certified Reinsurers			
28. Funds held under reinsurance treaties with Certified Reinsurers			
29. Other ceded reinsurance payables/offsets			
30. TOTAL Ceded Reinsurance Payables/Offsets			
31. TOTAL Net Credit for Ceded Reinsurance			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

State, 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								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	L			1,690,789,890				1,690,789,890	
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Marianas Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X			1,690,789,890				1,690,789,890	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) ... 1			1,690,789,890				1,690,789,890	
DETAILS OF WRITE-INS									
5801.	X X X								
5802.	X X X								
5803.	X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

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

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

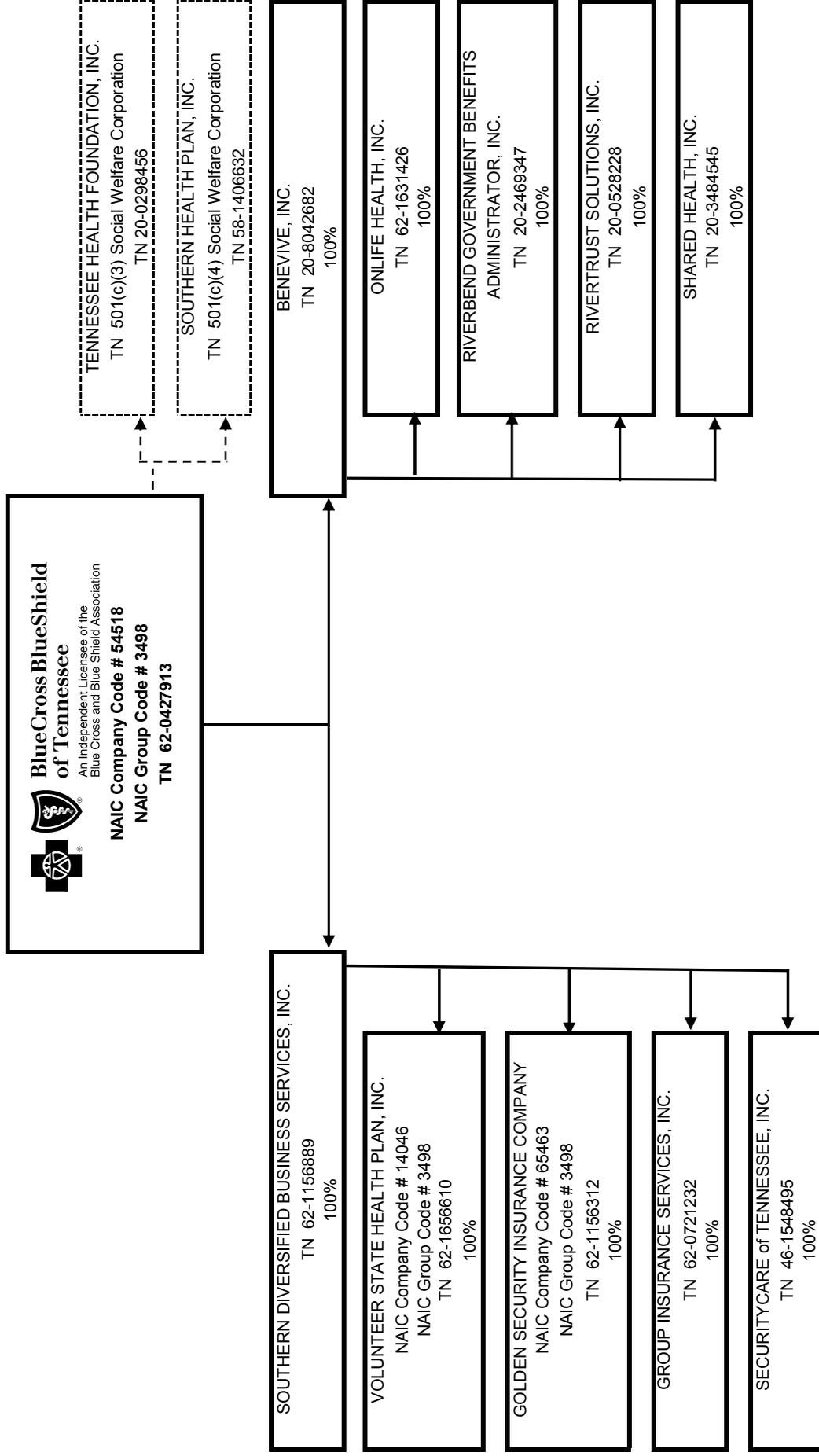
Direct Business only						
States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama (AL)						
2. Alaska (AK)						
3. Arizona (AZ)						
4. Arkansas (AR)						
5. California (CA)						
6. Colorado (CO)						
7. Connecticut (CT)						
8. Delaware (DE)						
9. District of Columbia (DC)						
10. Florida (FL)						
11. Georgia (GA)						
12. Hawaii (HI)						
13. Idaho (ID)						
14. Illinois (IL)						
15. Indiana (IN)						
16. Iowa (IA)						
17. Kansas (KS)						
18. Kentucky (KY)						
19. Louisiana (LA)						
20. Maine (ME)						
21. Maryland (MD)						
22. Massachusetts (MA)						
23. Michigan (MI)						
24. Minnesota (MN)						
25. Mississippi (MS)						
26. Missouri (MO)						
27. Montana (MT)						
28. Nebraska (NE)						
29. Nevada (NV)						
30. New Hampshire (NH)						
31. New Jersey (NJ)						
32. New Mexico (NM)						
33. New York (NY)						
34. North Carolina (NC)						
35. North Dakota (ND)						
36. Ohio (OH)						
37. Oklahoma (OK)						
38. Oregon (OR)						
39. Pennsylvania (PA)						
40. Rhode Island (RI)						
41. South Carolina (SC)						
42. South Dakota (SD)						
43. Tennessee (TN)						
44. Texas (TX)						
45. Utah (UT)						
46. Vermont (VT)						
47. Virginia (VA)						
48. Washington (WA)						
49. West Virginia (WV)						
50. Wisconsin (WI)						
51. Wyoming (WY)						
52. American Samoa (AS)						
53. Guam (GU)						
54. Puerto Rico (PR)						
55. U.S. Virgin Islands (VI)						
56. Northern Mariana Islands (MP)						
57. Canada (CAN)						
58. Aggregate other alien (OT)						
59. TOTALS						

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Comp-any Code	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent, Subsidiaries or Affiliates	Domic-iliary Loca-tion	Relation-ship to Report-ing Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	
3498	BlueCross BlueShield of Tennessee	54518	62-0427913				BlueCross BlueShield of Tennessee, Inc.	TN	UIP	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
3498	BlueCross BlueShield of Tennessee	14046	62-1656610				Volunteer State Health Plan, Inc.	TN		BlueCross BlueShield of Tennessee, Inc.	Board of Directors		BlueCross BlueShield of Tennessee, Inc.	1
		00000	20-0298456				Tennessee Health Foundation, Inc.	TN	OTH	BlueCross BlueShield of Tennessee, Inc.	Board of Directors		BlueCross BlueShield of Tennessee, Inc.	2
		00000	58-1406632				Southern Health Plan	TN	OTH	BlueCross BlueShield of Tennessee, Inc.	Board of Directors		BlueCross BlueShield of Tennessee, Inc.	
		00000	62-1156889				Southern Diversified Business Services, Inc.	TN	UDP	BlueCross BlueShield of Tennessee, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
		00000	62-0721232				Group Insurance Services	TN	IA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
3498	BlueCross BlueShield of Tennessee	65463	62-1156312				Golden Security Insurance Company	TN	IA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
		00000	20-8042682				BeneVive, Inc.	TN	NIA	BlueCross BlueShield of Tennessee, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
		00000	20-3484545				Shared Health, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
		00000	20-0528228				RiverTrust Solutions, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
		00000	20-2469347				Riverbend Government Benefits Administrator, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
		00000	62-1631426				Onlife Health, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
		00000	46-1548495				SecurityCare of Tennessee, Inc.	TN	IA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	

Explanation

Asterisk	
0000001	BlueCross BlueShield of Tennessee, Inc. appoints the Board of Tennessee Health Foundation, Inc.
0000002	BlueCross BlueShield of Tennessee, Inc. appoints the Board of Southern Health Plan, Inc. doing business as BlueCross BlueShield of Tennessee Community Trust

SCHEDULE Y
PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/(Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
54518	62-0427913	BlueCross BlueShield of Tennessee, Inc. (BCBST)					113,307,885				113,307,885	
54518	62-0427913	BCBST-Other				(2,407)	(2,407)				(2,407)	
54518	62-0427913	BCBST-CoverTN				(628,729)	(628,729)				(628,729)	
54518	62-0427913	BCBST-AccessTN				(914,191)	(914,191)				(914,191)	
54518	62-0427913	BCBST-CoverKids				(1,460,350)	(1,460,350)				(1,460,350)	
14046	62-1656610	Volunteer State Health Plan, Inc. (VSHP)					(110,302,208)				(110,302,208)	
9999999	Control Totals								XXX			

Schedule Y Part 2 Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

LTC Supplemental Interrogatories



1404620123060000 2012 Document Code: 306

Analysis of Annuity Operations by Lines of Business



14046201221400000 2012 Document Code: 214

Health Property/Casualty Supplement - Insurance Expense Exhibit



14046201221300000 2012 Document Code: 213

Supplemental Health Care Exhibit



14046201221600000 2012 Document Code: 216

Supplemental Health Care Exhibit's Expense Allocation Report



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OVERFLOW PAGE FOR WRITE-INS

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Liquidated Damages Accrual	16,272		16,272	29,700
2305. Due State of Tennessee				3,473
2306.				
2397. Summary of remaining write-ins for Line 23 (Lines 2304 through 2396)	16,272		16,272	33,173

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
0604.	X X X		
0605.	X X X		
0606.	X X X		
0607.	X X X		
0608.	X X X		
0609.	X X X		
0610.	X X X		
0611.	X X X		
0612.	X X X		
0613.	X X X		
0614.	X X X		
0615.	X X X		
0616.	X X X		
0617.	X X X		
0618.	X X X		
0619.	X X X		
0697. Summary of remaining write-ins for Line 6 (Lines 0604 through 0696)	X X X		
1404.			
1497. Summary of remaining write-ins for Line 14 (Lines 1404 through 1496)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
4704.		
4705.		
4706.		
4707.		
4708.		
4709.		
4710.		
4711.		
4712.		
4713.		
4714.		
4715.		
4716.		
4717.		
4718.		
4797. Summary of remaining write-ins for Line 47 (Lines 4704 through 4796)		

OVERFLOW PAGE FOR WRITE-INS

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
0504.	XX
0505.	XX
0506.	XX
0507.	XX
0597.	XX
	Summary of remaining write-ins for Line 5 (Lines 0504 through 0596)	.....	.....	.....	.....	.....	.....	.....	.....	XX

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1	2	3	4	5	6
	Amount	Percentage	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage
1. Bonds:						
1.1 U.S. treasury securities	27,872,174	6.319	27,872,174		27,872,174	6.319
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	928,264	0.210	928,264		928,264	0.210
1.22 Issued by U.S. government sponsored agencies	23,490,257	5.325	23,490,257		23,490,257	5.325
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	1,213,399	0.275	1,213,399		1,213,399	0.275
1.43 Revenue and assessment obligations	3,779,971	0.857	3,779,971		3,779,971	0.857
1.44 Industrial development and similar obligations						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or Guaranteed by GNMA						
1.512 Issued or Guaranteed by FNMA and FHLMC	16,569,546	3.756	16,569,546		16,569,546	3.756
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	7,372,625	1.671	7,372,625		7,372,625	1.671
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other	13,808,908	3.131	13,808,908		13,808,908	3.131
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	157,870,411	35.791	157,870,411		157,870,411	35.791
2.2 Unaffiliated Non-U.S. securities (including Canada)	12,174,324	2.760	12,174,324		12,174,324	2.760
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated						
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties						
4.4 Multifamily residential properties						
4.5 Commercial loans						
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company						
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt)						
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives						
8. Receivables for securities	60,554	0.014	60,554		60,554	0.014
9. Securities Lending (Line 10, Asset Page reinvested collateral)				X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments	175,953,804	39.890	175,953,804		175,953,804	39.890
11. Other invested assets						
12. Total invested assets	441,094,237	100.000	441,094,237		441,094,237	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13		
3.2 Totals, Part 3, Column 11		
4. Total gain (loss) on disposals, Part 3, Column 18		
5. Deduct amounts received on disposals, Part 3, Column 15		
6. Total foreign exchange change in book/adjusted carrying value	NONE	
6.1 Totals, Part 1, Column 15		
6.2 Totals, Part 3, Column 13		
7. Deduct current year's other than temporary impairment recognized:		
7.1 Totals, Part 1, Column 12		
7.2 Totals, Part 3, Column 10		
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11		
8.2 Totals, Part 3, Column 9		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Lines 9 minus 10)		

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7)		
2.2 Additional investment made after acquisition (Part 2, Column 8)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12		
3.2 Totals, Part 3, Column 11		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9		
5.2 Totals, Part 3, Column 8		
6. Total gain (loss) on disposals, Part 3, Column 18		
7. Deduct amounts received on disposals, Part 3, Column 15	NONE	
8. Deduct amortization of premium and mortgage interest		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
9.1 Totals, Part 1, Column 13		
9.2 Totals, Part 3, Column 13		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 11		
10.2 Totals, Part 3, Column 10		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Lines 11 plus 12)		
14. Deduct total nonadmitted amounts		
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16		
3.2 Totals, Part 3, Column 12		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13		
5.2 Totals, Part 3, Column 9		
6. Total gain (loss) on disposals, Part 3, Column 19	NONE	
7. Deduct amounts received on disposals, Part 3, Column 18		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17		
9.2 Totals, Part 3, Column 14		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 15		
10.2 Totals, Part 3, Column 11		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year		184,988,386
2. Cost of bonds and stocks acquired, Part 3, Column 7		266,225,791
3. Accrual of Discount		37,207
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12		
4.2 Part 2, Section 1, Column 15		
4.3 Part 2, Section 2, Column 13		
4.4 Part 4, Column 11	20,648	20,648
5. Total gain (loss) on disposals, Part 4, Column 19		1,103,678
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7		184,545,156
7. Deduct amortization of premium		2,629,164
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15		
8.2 Part 2, Section 1, Column 19		
8.3 Part 2, Section 2, Column 16		
8.4 Part 4, Column 15		
9. Deduct current year's other than temporary impairment recognized:		
9.1 Part 1, Column 14	1,240	
9.2 Part 2, Section 1, Column 17		
9.3 Part 2, Section 2, Column 14		
9.4 Part 4, Column 13	120,271	121,511
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		265,079,879
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		265,079,879

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	28,800,438	28,813,893	28,824,887	28,187,988
	2. Canada				
	3. Other Countries				
	4. Totals	28,800,438	28,813,893	28,824,887	28,187,988
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals				
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	1,213,399	1,220,244	1,218,590	1,165,000
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	51,212,400	51,340,497	51,638,183	48,837,346
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States	171,679,318	172,919,726	173,216,140	158,083,113
	9. Canada	4,747,633	4,759,055	4,789,877	4,650,000
	10. Other Countries	7,426,691	7,482,632	7,466,036	7,225,000
	11. Totals	183,853,642	185,161,413	185,472,053	169,958,113
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	265,079,879	266,536,047	267,153,713	248,148,447
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States				
	15. Canada				
	16. Other Countries				
	17. Totals				
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks				
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States				
	21. Canada				
	22. Other Countries				
	23. Totals				
Parent, Subsidiaries and Affiliates	24. Totals				
	25. Total Common Stocks				
	26. Total Stocks				
	27. Total Bonds and Stocks	265,079,879	266,536,047	267,153,713	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1	10,107,332	28,201,168	304,694	197,809		38,811,003	8.88	107,343,010	35.00	38,811,003	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 TOTALS	10,107,332	28,201,168	304,694	197,809		38,811,003	8.88	107,343,010	35.00	38,811,003	
2. All Other Governments											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 TOTALS											
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 TOTALS											
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed											
4.1 Class 1	210,517	845,602	157,280			1,213,399	0.28			1,213,399	
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 TOTALS	210,517	845,602	157,280			1,213,399	0.28			1,213,399	
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 Class 1	39,448,196	35,366,852	5,283,410	4,553,790	514,989	85,167,237	19.49	49,590,963	16.17	85,167,237	
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 TOTALS	39,448,196	35,366,852	5,283,410	4,553,790	514,989	85,167,237	19.49	49,590,963	16.17	85,167,237	

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 Class 1	165,958,889	145,764,023				311,722,912	71.35	149,771,829	48.83	298,369,023	13,353,889
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 TOTALS	165,958,889	145,764,023				311,722,912	71.35	149,771,829	48.83	298,369,023	13,353,889
7. Hybrid Securities											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 TOTALS											
8. Parent, Subsidiaries and Affiliates											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 Class 1	(d) 215,724,934	210,177,645	5,745,384	4,751,599	514,989	436,914,551	100.00	X X X	X X X	423,560,662	13,353,889
9.2 Class 2	(d)							X X X	X X X		
9.3 Class 3	(d)							X X X	X X X		
9.4 Class 4	(d)							X X X	X X X		
9.5 Class 5	(d)					(c)		X X X	X X X		
9.6 Class 6	(d)					(c)		X X X	X X X		
9.7 TOTALS	215,724,934	210,177,645	5,745,384	4,751,599	514,989	436,914,551	100.00	X X X	X X X	423,560,662	13,353,889
9.8 Line 9.7 as a % of Column 6	49.37	48.10	1.31	1.09	0.12	100.00	X X X	X X X	X X X	96.94	3.06
10. Total Bonds Prior Year											
10.1 Class 1	159,781,059	134,261,974	8,102,286	3,932,135	628,347	X X X	X X X	306,705,801	100.00	306,705,801	
10.2 Class 2						X X X	X X X				
10.3 Class 3						X X X	X X X				
10.4 Class 4						X X X	X X X				
10.5 Class 5						X X X	X X X	(c)			
10.6 Class 6						X X X	X X X	(c)			
10.7 TOTALS	159,781,059	134,261,974	8,102,286	3,932,135	628,347	X X X	X X X	306,705,801	100.00	306,705,801	
10.8 Line 10.7 as a % of Col. 8	52.10	43.78	2.64	1.28	0.20	X X X	X X X	100.00	X X X	100.00	
11. Total Publicly Traded Bonds											
11.1 Class 1	215,279,580	197,269,110	5,745,384	4,751,599	514,989	423,560,662	96.94	306,705,801	100.00	423,560,662	X X X
11.2 Class 2											X X X
11.3 Class 3											X X X
11.4 Class 4											X X X
11.5 Class 5											X X X
11.6 Class 6											X X X
11.7 TOTALS	215,279,580	197,269,110	5,745,384	4,751,599	514,989	423,560,662	96.94	306,705,801	100.00	423,560,662	X X X
11.8 Line 11.7 as a % of Col. 6	50.83	46.57	1.36	1.12	0.12	100.00	X X X	X X X	X X X	100.00	X X X
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	49.27	45.15	1.31	1.09	0.12	96.94	X X X	X X X	X X X	96.94	X X X
12. Total Privately Placed Bonds											
12.1 Class 1	445,354	12,908,535				13,353,889	3.06			X X X	13,353,889
12.2 Class 2										X X X	
12.3 Class 3										X X X	
12.4 Class 4										X X X	
12.5 Class 5										X X X	
12.6 Class 6										X X X	
12.7 TOTALS	445,354	12,908,535				13,353,889	3.06			X X X	13,353,889
12.8 Line 12.7 as a % of Col. 6	3.34	96.66				100.00	X X X	X X X	X X X	X X X	100.00
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	0.10	2.95				3.06	X X X	X X X	X X X	X X X	3.06

(a) Includes \$.....13,353,889 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....2,982,284 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5* designations and \$.....0 current year, \$.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments. "6*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.5	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations	10,010,565	27,872,174				37,882,739	8.67	107,343,010	35.00	37,882,739	
1.2 Residential Mortgage-Backed Securities											
1.3 Commercial Mortgage-Backed Securities	96,767	328,994	304,694	197,809		928,264	0.21			928,264	
1.4 Other Loan-Backed and Structured Securities	10,107,332	28,201,168	304,694	197,809		38,811,003	8.88	107,343,010	35.00	38,811,003	
1.5 Totals											
2. All Other Governments											
2.1 Issuer Obligations											
2.2 Residential Mortgage-Backed Securities											
2.3 Commercial Mortgage-Backed Securities											
2.4 Other Loan-Backed and Structured Securities											
2.5 Totals											
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations											
3.2 Residential Mortgage-Backed Securities											
3.3 Commercial Mortgage-Backed Securities											
3.4 Other Loan-Backed and Structured Securities											
3.5 Totals											
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations											
4.2 Residential Mortgage-Backed Securities											
4.3 Commercial Mortgage-Backed Securities	210,517	845,602	157,280			1,213,399	0.28			1,213,399	
4.4 Other Loan-Backed and Structured Securities	210,517	845,602	157,280			1,213,399	0.28			1,213,399	
4.5 Totals											
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Issuer Obligations	34,131,584	23,490,257				57,621,841	13.19	27,830,389	9.07	57,621,841	
5.2 Residential Mortgage-Backed Securities	2,232,722	6,200,168	3,576,262	4,045,405	514,989	16,569,546	3.79	12,144,622	3.96	16,569,546	
5.3 Commercial Mortgage-Backed Securities	2,641,332	4,188,505	362,568	3,476		7,195,881	1.65	9,615,952	3.14	7,195,881	
5.4 Other Loan-Backed and Structured Securities	442,559	1,487,923	1,344,580	504,909		3,779,971	0.87			3,779,971	
5.5 Totals	39,448,197	35,366,853	5,283,410	4,553,790	514,989	85,167,239	19.49	49,590,963	16.17	85,167,239	
6. Industrial and Miscellaneous											
6.1 Issuer Obligations	142,171,339	123,530,558				265,701,897	60.81	123,025,266	40.11	253,997,610	
6.2 Residential Mortgage-Backed Securities											
6.3 Commercial Mortgage-Backed Securities	6,112,112	7,696,797				13,808,909	3.16	19,608,561	6.39	13,808,909	
6.4 Other Loan-Backed and Structured Securities	17,675,438	14,536,668				32,212,106	7.37	7,138,002	2.33	30,562,504	
6.5 Totals	165,958,889	145,764,023				311,722,912	71.35	149,771,829	48.83	298,369,023	
7. Hybrid Securities											
7.1 Issuer Obligations											
7.2 Residential Mortgage-Backed Securities											
7.3 Commercial Mortgage-Backed Securities											
7.4 Other Loan-Backed and Structured Securities											
7.5 Totals											
8. Parent, Subsidiaries and Affiliates											
8.1 Issuer Obligations											
8.2 Residential Mortgage-Backed Securities											
8.3 Commercial Mortgage-Backed Securities											
8.4 Other Loan-Backed and Structured Securities											
8.5 Totals											

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. Total Bonds Current Year											
9.1 Issuer Obligations	186,313,488	174,892,989				361,206,477	82.67	X X X	X X X	349,502,190	11,704,287
9.2 Residential Mortgage-Backed Securities	2,232,722	6,200,168	3,576,262	4,045,405	514,989	16,569,546	3.79	X X X	X X X	16,569,546	
9.3 Commercial Mortgage-Backed Securities	8,753,444	11,885,302	362,568	3,476		21,004,790	4.81	X X X	X X X	21,004,790	
9.4 Other Loan-Backed and Structured Securities	18,425,281	17,199,187	1,806,554	702,718		38,133,740	8.73	X X X	X X X	36,484,138	1,649,602
9.5 Totals	215,724,935	210,177,646	5,745,384	4,751,599	514,989	436,914,553	100.00	X X X	X X X	423,560,664	13,353,889
9.6 Line 9.5 as a % of Col. 6	49.37	48.10	1.31	1.09	0.12	100.00	X X X	X X X	X X X	96.94	3.06
10. Total Bonds Prior Year											
10.1 Issuer Obligations	149,961,556	108,237,109				X X X	X X X	258,198,665	84.18	258,198,665	
10.2 Residential Mortgage-Backed Securities	1,606,645	5,207,559	3,796,980	1,427,435	106,002	X X X	X X X	12,144,621	3.96	12,144,622	
10.3 Commercial Mortgage-Backed Securities	6,454,210	15,971,366	4,069,571	2,249,396	479,969	X X X	X X X	29,224,512	9.53	29,224,513	
10.4 Other Loan-Backed and Structured Securities	1,758,648	4,845,940	235,735	255,303	42,376	X X X	X X X	7,138,002	2.33	7,138,002	
10.5 Totals	159,781,059	134,261,974	8,102,286	3,932,134	628,347	X X X	X X X	306,705,800	100.00	306,705,802	
10.6 Line 10.5 as a % of Col. 8	52.10	43.78	2.64	1.28	0.20	X X X	X X X	100.00	X X X	100.00	
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	185,868,134	163,634,054				349,502,188	79.99	258,198,665	84.18	349,502,188	X X X
11.2 Residential Mortgage-Backed Securities	2,232,722	6,200,168	3,576,262	4,045,405	514,989	16,569,546	3.79	12,144,622	3.96	16,569,546	X X X
11.3 Commercial Mortgage-Backed Securities	8,753,444	11,885,301	362,568	3,476		21,004,789	4.81	29,224,513	9.53	21,004,789	X X X
11.4 Other Loan-Backed and Structured Securities	18,425,281	15,549,586	1,806,554	702,718		36,484,139	8.35	7,138,002	2.33	36,484,139	X X X
11.5 Totals	215,279,581	197,269,109	5,745,384	4,751,599	514,989	423,560,662	96.94	306,705,802	100.00	423,560,662	X X X
11.6 Line 11.5 as a % of Col. 6	50.83	46.57	1.36	1.12	0.12	100.00	X X X	X X X	X X X	100.00	X X X
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	49.27	45.15	1.31	1.09	0.12	96.94	X X X	X X X	X X X	96.94	X X X
12. Total Privately Placed Bonds											
12.1 Issuer Obligations	445,354	11,258,933				11,704,287	2.68			X X X	11,704,287
12.2 Residential Mortgage-Backed Securities										X X X	
12.3 Commercial Mortgage-Backed Securities										X X X	
12.4 Other Loan-Backed and Structured Securities		1,649,602				1,649,602	0.38			X X X	1,649,602
12.5 Totals	445,354	12,908,535				13,353,889	3.06			X X X	13,353,889
12.6 Line 12.5 as a % of Col. 6	3.34	96.66				100.00	X X X	X X X	X X X	X X X	100.00
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	0.10	2.95				3.06	X X X	X X X	X X X	X X X	3.06

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	86,557,761	86,557,761			
2. Cost of short-term investments acquired	2,537,843,673	2,537,843,673			
3. Accrual of discount	4,416	4,416			
4. Unrealized valuation increase (decrease)	(4,416)	(4,416)			
5. Total gain (loss) on disposals	(182)	(182)			
6. Deduct consideration received on disposals	2,455,000,852	2,455,000,852			
7. Deduct amortization of premium	87,676	87,676			
8. Total foreign exchange change in book/adjusted carrying value					
9. Deduct current year's other than temporary impairment recognized					
10. Book adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	169,312,724	169,312,724			
11. Deduct total nonadmitted amounts					
12. Statement value at end of current period (Line 10 minus Line 11)	169,312,724	169,312,724			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: 0

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted carrying value, December 31, prior year (Line 9, prior year)			
2.	Cost paid/(Consideration received) on additions:			
2.1	Current year paid/(consideration received) at time of acquisition, still open, Section 1, Column 12			
2.2	Current year paid/(consideration received) at time of acquisition, terminated, Section 2, Column 14			
3.	Unrealized valuation increase/(decrease):			
3.1	Section 1, Column 17			
3.2	Section 2, Column 19			
4.	Total gain (loss) on termination recognized, Section 2, Column 22			
5.	Considerations received/(paid) on terminations, Section 2, Column 23			
6.	Amortization:			
6.1	Section 1, Column 19			
6.2	Section 2, Column 21			
7.	Adjustment to the book/adjusted carrying value of hedged item:			
7.1	Section 1, Column 20			
7.2	Section 2, Column 23			
8.	Total foreign exchange change in book/adjusted carrying value:			
8.1	Section 1, Column 18			
8.2	Section 2, Column 20			
9.	Book/Adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)			
10.	Deduct nonadmitted assets			
11.	Statement value at end of current period (Line 9 minus Line 10)			

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Futures Contracts

1.	Book/Adjusted carrying value, December 31 of prior year			
2.	Net cash deposits (Section 1, Broker Name/Net Cash Deposits Footnote)			
3.1	Change in variation margin on open contracts:			
3.11	Section 1, Column 15, current year minus			
3.12	Section 1, Column 15, prior year			
3.2	Add:			
	Change in adjustment to basis of hedged item:			
3.21	Section 1, Column 17, current year to date minus			
3.22	Section 1, Column 17, prior year			
	Change in amount recognized			
3.23	Section 1, Column 16, current year to date minus			
3.24	Section 1, Column 16, prior year			
3.3	Subtotal (Line 3.1 minus Line 3.2)			
4.1	Variation margin on terminated contracts during the year (Section 1, Column 15)			
4.2	Less:			
4.21	Amount used to adjust basis of hedged item (Section 2, Column 17)			
4.22	Amount recognized (Section 2, Column 16)			
4.3	Subtotal (Line 4.1 minus Line 4.2)			
5.	Disposition gains (losses) on contracts terminated in prior year:			
5.1	Recognized			
5.2	Used to adjust basis of hedged items			
6.	Book/Adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)			
7.	Deduct total nonadmitted amounts			
8.	Statement value at end of current period (Line 6 minus Line 7)			

NONE

SCHEDULE DB - PART C - SECTION 1
Replication (Synthetic Asset) Transactions Open as of December 31 of Current Year

1	Replication (Synthetic Asset) Transactions				Components of the Replication (Synthetic Asset) Transactions											
	2	3	4	5	6	7	8	Derivative Instrument(s) Open		11	12	13	14	15	16	
Replication RSAT Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	9	10	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value	
NONE																
9999999 Totals						.. XXX .	.. XXX .	.. XXX .	.. XXX .	.. XXX .	.. XXX .	.. XXX .	.. XXX .	.. XXX .	.. XXX .	.. XXX .

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1	2	3	4	5	6	7	8	9	10
	Number of Positions	Total Replication (Synthetic Asset) Statement Value	Number of Positions	Total Replication (Synthetic Asset) Statement Value	Number of Positions	Total Replication (Synthetic Asset) Statement Value	Number of Positions	Total Replication (Synthetic Asset) Statement Value	Number of Positions	Total Replication (Synthetic Asset) Statement Value
1. Beginning Inventory										
2. Add: Opened or Acquired Transactions										
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	X X X				X X X		X X X		X X X	
4. Less: Closed or Disposed of Transactions										
5. Less: Positions Disposed of for Failing Effectiveness Criteria										
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	X X X		X X X		X X X		X X X		X X X	
7. Ending Inventory										

NONE

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

	Book/Adjusted Carrying Value Check	
1. Part A, Section 1, Column 14		
2. Part B, Section 1, Column 14		
3. Total (Line 1 plus Line 2)		
4. Part D, Column 5		
5. Part D, Column 6		
6. Total (Line 3 minus Line 4 minus Line 5)		

	Fair Value Check	
7. Part A, Section 1, Column 16	N O N E	
8. Part B, Section 1, Column 13		
9. Total (Line 7 plus Line 8)		
10. Part D, Column 8		
11. Part D, Column 9		
12. Total (Line 9 minus Line 10 minus Line 11)		

	Potential Exposure Check	
13. Part A, Section 1, Column 21		
14. Part B, Section 1, Column 19		
15. Part D, Column 11		
16. Total (Line 13 plus Line 14 minus Line 15)		

SCHEDULE E - VERIFICATION BETWEEN YEARS (Cash Equivalents)

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	35,159,655	35,159,655	
2. Cost of cash equivalents acquired	3,793,799,709	3,793,799,709	
3. Accrual of discount	1,563	1,563	
4. Unrealized valuation increase (decrease)	(1,563)	(1,563)	
5. Total gain (loss) on disposals			
6. Deduct consideration received on disposals	3,826,260,670	3,826,260,670	
7. Deduct amortization of premium			
8. Total foreign exchange change in book/adjusted carrying value			
9. Deduct current year's other than temporary impairment recognized			
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,698,694	2,698,694	
11. Deduct total nonadmitted amounts			
12. Statement value at end of current period (Lines 10 minus 11)	2,698,694	2,698,694	

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

SCHEDULE A - PART 1
Showing all Real Estate OWNED December 31 of Current Year

1 Description of Property	2 Code	3 Location		4 State	5 Date Acquired	6 Date of Last Appraisal	7 Actual Cost	8 Amount of Encumbrances	9 Book/Adjusted Carrying Value Less Encumbrances	10 Fair Value Less Encumbrances	11 Current Year's Depreciation	12 Current Year's Other Than Temporary Impairment Recognized	13 Current Year's Change in Encumbrances	14 Total Change in B./A.C.V. (13 - 11 - 12)	15 Total Foreign Exchange Change in B./A.C.V.	16 Gross Income Earned Less Interest Incurred on Encumbrances	17 Taxes, Repairs, and Expenses Incurred
NONE																	
0699999 Totals																	

SCHEDULE A - PART 2
Showing all Real Estate ACQUIRED and Additions Made During the Year

1 Description of Property	2 Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	City	State						
NONE								
0399999 Totals								

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Year, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Change in Encumbrances Prior Year	8 Book / Adjusted Carrying Value Less Encumbrances	9 Change in Book/Adjusted Carrying Value Less Encumbrances			12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.	14 Book/ Adjusted Carrying Value Less Encumbrances on Disposal	15 Amount Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances									
NONE																			
0399999 Totals																			

SCHEDULE B - PART 1
Showing All Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	2		3		4 State	5 Loan Type	6 Date Acquired	7 Rate of Interest	8 Book Value/Recorded Investment Excluding Accrued Interest	Change in Book Value/Recorded Investment					14 Value of Land and Buildings	15 Date of Last Appraisal or Valuation
	9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Amortization)/ Accretion	11 Current Year's Other than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other						13 Total Foreign Exchange Change in Book Value						
NONE																
339999 Total Mortgages (sum of Lines 0899999, 1699999, 2499999 and 3299999)																

General Interrogatory:

1. Mortgages in good standing \$0 unpaid taxes \$0 interest due and unpaid.
2. Restructured mortgages \$0 unpaid taxes \$0 interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure \$0 unpaid taxes \$0 interest due and unpaid.
4. Mortgages in process of foreclosure \$0 unpaid taxes \$0 interest due and unpaid.

SCHEDULE B - PART 2
Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Year

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Actual Cost at Time of Acquisition	8 Additional Investment Made After Acquisition	9 Value of Land and Buildings
	2 City	3 State						
NONE								
3399999 Total Mortgages (sum of Lines 0899999, 1699999, 2499999 and 3299999)								

SCHEDULE B - PART 3

Showing all Mortgage Loans Disposed, Transferred or Repaid During the Current Year

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization)/ Accretion	10 Current Year's Other than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value	14 Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	2 City	3 State															
NONE																	
0599999 Totals																	

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1 CUSIP Identification	2 Name or Description	3 Location		6 Name of Vendor or General Partner	7 NAIC Designation	8 Date Originally Acquired	9 Type and Strategy	10 Actual Cost	11 Fair Value	12 Book/ Adjusted Carrying Value Less Encumbrances	Change in Book/Adjusted Carrying Value					19 Commitment for Additional Investment	20 Percentage of Ownership
		4 City	5 State								13 Unrealized Valuation Increase (Decrease)	14 Current Year's (Depreciation) or (Amortization)/ Accretion	15 Current Year's Other than Temporary Impairment Recognized	16 Capitalized Deferred Interest and Other	17 Total Foreign Exchange Change in B./A. C. V.			18 Investment Income
NONE																	
419999 Totals XXX																	

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets Acquired and Additions Made December 31 of Current Year

1 CUSIP Identification	2 Name or Description	3 Location		4 State	5 Name of Vendor or General Partner	6 Date Originally Acquired	7 Type and Strategy	8 Actual Cost at Time of Acquisition	9 Additional Investment Made After Acquisition	10 Amount of Encumbrances	11 Percentage of Ownership
		City									
NONE											
4199999 Totals XXX											

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets Disposed, Transferred or Repaid During the Current Year

1 CUSIP Identification	2 Name or Description	3 Location		4 State	5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/ Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value				15 Book/ Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income	
		9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion						11 Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A. C. V. (9 + 10 - 11 + 12)	14 Total Foreign Exchange Change in B./A. C. V.							
NONE																			
4199999 Totals																			

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes			6 NAIC Designation	7 Actual Cost	8 Rate Used to Obtain Fair Value		9 Fair Value	10 Change in Book Adjusted Carrying Value				11 Interest				20 Amount Received During Year	21 Acquired	22 Stated Contractual Maturity Date
		4 F	5 O R E I G	Bond CHAR			10 Par Value	11 Book/Adjusted Carrying Value		12 Unrealized Valuation Increase/(Decrease)	13 Current Years (Amortization)/Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B/A.C.V.	16 Rate of Interest	17 Effective Rate of Interest	18 When Paid	19 Admitted Amount Due and Accrued			
U.S. Governments - Issuer Obligations																				
912828F07	U.S. TREASURY NOTE			1	2,017,188	2,016,720	100.8360	2,016,720	2,000,000	2,016,664	(523)		0.196	JJ	9,239	12/20/2012	01/15/2014			
912828F53	U.S. TREASURY NOTE			1	6,170,500	6,167,618	104.9450	6,167,618	5,877,000	6,167,939	(2,561)		2.000	JJ	49,188	12/28/2012	01/31/2016			
912828R05	U.S. TREASURY NOTE			1	3,005,859	3,007,020	100.2340	3,007,020	3,000,000	3,005,758	(102)		0.375	MN	1,461	12/20/2012	11/15/2014			
912828R28	U.S. TREASURY NOTE			1	3,808,553	3,809,819	99.9690	3,809,819	3,811,000	3,808,596	43		0.281	JJ	4,401	12/19/2012	07/15/2015			
912828RB8	U.S. TREASURY NOTES			1	3,012,070	3,013,140	100.4380	3,013,140	3,000,000	3,011,833	(237)		0.250	FA	5,666	12/20/2012	08/15/2014			
912828SW1	U.S. TREASURY NOTES			1	2,000,234	2,000,940	100.0470	2,000,940	2,000,000	2,000,229	(5)		0.250	MN	440	12/20/2012	05/31/2014			
912828TP5	U.S. TREASURY NT.			1	2,658,034	2,659,164	99.7810	2,659,164	2,665,000	2,658,139	105		0.250	MS	1,988	12/17/2012	09/15/2015			
912828NP1	UNITED STATES TREASURY NOTE			1	5,227,091	5,213,897	103.6560	5,213,897	5,000,000	5,203,016	(24,075)		1.750	JJ	36,837	08/21/2012	07/31/2015			
0199999 Subtotal	U.S. Governments - Issuer Obligations				27,899,529	27,888,318	X X X	27,888,318	27,383,000	27,872,174	(27,355)		X X X	X X X	109,220	X X X	X X X			
U.S. Governments - Other Loan-Backed and Structured Securities																				
83162CRA3	SBA GTD PARTN CTFS 2007-20E 1			1FE	925,938	925,575	114.9800	925,575	804,988	928,264	2,906		2.543	MN	7,124	10/22/2012	05/01/2027			
0499999 Subtotal	U.S. Governments - Other Loan-Backed and Structured Securities				925,938	925,575	X X X	925,575	804,988	928,264	2,906		X X X	X X X	7,124	X X X	X X X			
0599999 Subtotal	U.S. Governments				28,824,887	28,813,893	X X X	28,813,893	28,187,988	28,800,438	(24,449)		X X X	X X X	116,344	X X X	X X X			
U.S. Polit. Subdiv. of States, Terr. & Possess. (Dir. & Guar.) - Other Loan-Backed and Structured Securities																				
491189FC5	KENTUCKY ASSET / LIABILITY COM			1FE	1,218,590	1,220,244	104.7420	1,220,244	1,165,000	1,213,399	(5,191)		3.165	AO	9,218	09/19/2012	04/01/2018			
2199999 Subtotal	U.S. Polit. Subdiv. of States, Terr. & Possess. (Dir. & Guar.) - Other Loan-Backed and Structured Securities				1,218,590	1,220,244	X X X	1,220,244	1,165,000	1,213,399	(5,191)		X X X	X X X	9,218	X X X	X X X			
2499999 Subtotal	U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)				1,218,590	1,220,244	X X X	1,220,244	1,165,000	1,213,399	(5,191)		X X X	X X X	9,218	X X X	X X X			
U.S. Special Revenue, Special Assessment - Issuer Obligations																				
313373J04	FEDERAL HOME LN BK CONS BD			1	3,707,191	3,702,244	101.7100	3,702,244	3,640,000	3,682,034	(20,711)		1.375	MN	4,588	06/14/2012	05/28/2014			
3133XLJP9	FEDERAL HOME LN BK CONS BD			1	1,703,980	1,628,445	108.9530	1,628,445	1,500,000	1,601,464	(6,176)		5.500	FA	31,625	05/03/2011	08/73/2014			
3133XWE70	FEDERAL HOME LN BK CONS BD			1	1,498,910	1,486,930	103.2590	1,486,930	1,440,000	1,467,890	(18,964)		2,500	JD	1,800	05/10/2011	06/73/2014			
31344U016	FEDERAL HOME LN MTG CORP			1	1,786,907	1,716,352	107.2720	1,716,352	1,600,000	1,690,821	(68,076)		5,000	JJ	36,889	05/03/2011	07/15/2014			
3134GZU08	FEDERAL HOME LN MTG CORP			1	2,926,958	2,933,843	101.1670	2,933,843	2,900,000	2,916,613	(10,667)		1,000	FA	10,553	12/21/2011	08/20/2014			
3134GZM63	FEDERAL HOME LN MTG CORP			1	1,253,648	1,260,250	104.5620	1,260,250	1,250,000	1,252,054	(1,800)		0.750	MS	2,578	08/24/2011	09/22/2014			
3137EACH0	FEDERAL HOME LN MTG CORP			1	1,493,908	1,475,054	105.3610	1,475,054	1,400,000	1,463,280	(29,723)		2,875	FA	40,250	12/20/2011	02/09/2015			
3135G0FV4	FEDERAL NATL MTG ASSN			1	1,349,960	1,361,975	100.8870	1,361,975	1,350,000	1,349,974	13		0.750	JD	11,764	09/18/2012	08/31/2014			
3136FTM06	FEDERAL NATL MTG ASSN			1	2,994,375	3,031,830	101.0610	3,031,830	3,000,000	2,995,221	846		1,200	MS	9,300	11/15/2011	12/19/2014			
31398AY2	FEDERAL NATL MTG ASSN			1	1,064,555	1,047,460	104.7460	1,047,460	1,000,000	1,034,565	(19,935)		3.000	MS	8,750	03/22/2012	03/28/2017			
2599999 Subtotal	U.S. Special Revenue, Special Assessment - Issuer Obligations				23,822,632	23,684,663	X X X	23,684,663	23,080,000	23,490,258	(225,761)		X X X	X X X	134,061	X X X	X X X			
U.S. Special Revenue, Special Assessment - Residential Mortgage-Backed Securities																				
3128SLE2	FHLMC POOL #10-1225			1	3,102,770	3,080,843	106.3990	3,080,843	2,895,556	3,101,010	(1,760)		3.051	MON	14,820	09/01/2012	11/01/2036			
3128SSP0	FHLMC POOL #10-1426			1	3,382,178	3,319,386	106.7760	3,319,386	3,108,738	3,330,841	(1,338)		2.707	MON	14,051	08/16/2012	11/01/2037			
3134ZAL59	FHLMC POOL #78-0851			1	288,530	276,867	106.5350	276,867	259,684	287,733	(210)		2.391	MON	1,032	12/07/2009	09/01/2033			
3134ZAL62	FHLMC POOL #78-0741			1	470,126	464,383	106.3030	464,383	455,672	469,019	(389)		1.966	MON	1,797	11/16/2009	07/01/2033			
31403DHF9	FNMA POOL #074530			1	3,300,818	3,272,829	111.5240	3,272,829	2,934,641	3,300,419	(30,399)		5.272	(2,421)	MON	12,893	39,155	09/11/2012	04/01/2016	
3138EH476	FNMA POOL #0AL1733			1	1,052,493	2,881,893	105.5260	2,881,893	2,730,979	2,907,395	(1,098)		2.574	MON	5,858	23,612	08/16/2012	01/01/2037		
3138EJPA0	FNMA POOL #0AL2216			1	3,194,693	3,184,196	106.7730	3,184,196	2,982,210	3,193,130	(1,563)		2.434	MON	6,049	24,732	08/16/2012	09/01/2039		
2699999 Subtotal	U.S. Special Revenue, Special Assessment - Residential Mortgage-Backed Securities				16,607,408	16,500,407	X X X	16,500,407	15,367,680	16,569,547	(36,757)		X X X	X X X	56,500	X X X	X X X			
U.S. Special Revenue, Special Assessment - Commercial Mortgage-Backed Securities																				
31394YR83	FHLMC MULTICLASS CTFS 2802 VE			1	141,871	135,663	101.6300	135,663	133,487	136,825	(1,925)		5.500	(2,945)	MON	612	12/18/2009	04/15/2015		
31393NK24	FHLMC MULTICLASS MTG			1	2,175,138	2,162,891	102.0190	2,162,891	2,021,034	2,164,311	(10,287)		5,000	MON	8,421	33,997	08/24/2012	03/15/2018		
31393RR04	FHLMC MULTICLASS MTG			1	157,328	152,875	102.1190	152,875	149,703	154,480	(1,105)		4,500	0.003	MON	561	6,791	11/24/2009	01/15/2018	
31397CVB9	FHLMC MULTICLASS MTG 3253 A			1	78,565	77,635	105.2620	77,635	76,667	78,276	(548)		5,000	(0,278)	MON	319	3,675	01/01/2010	08/15/2020	
3137ACT41	FHLMC MULTICLASS MTG 3902 MA			1	1,466,451	1,433,419	105.0480	1,433,419	1,364,537	1,462,088	(4,363)		4,500	1,276	MON	5,117	20,642	08/22/2012	07/15/2039	
31394AD3	FHLMC REMIC SERIES 2924			1	124,132	120,311	104.9510	120,311	118,574	122,665	(1,718)		4,500	(2,113)	MON	445	5,380	01/14/2010	02/15/2019	
31394AV69	FNMA GTD REMIC PIT			1	509,820	507,470	100.6590	507,470	504,148	508,782	(1,038)		4,500	0.073	MON	1,891	4,840	10/17/2012	11/25/2030	
31397LVK2	FNMA GTD REMIC PIT 08-51 BC			1	1,657,714	1,668,152	105.8270	1,668,152	1,601,942	1,645,311	(6,729)		4,500	3,041	MON	4,132	49,982	03/31/2010	06/25/2023	
31396QWZ2	FNMA GTD REMIC PIT 09-70 NT			1	365,076	369,529	106.2060	369,529	351,237	357,776	(2,547)		4,000	2,069	MON	1,171	14,332	10/01/2009	08/25/2019	
31397UXAZ	FNMA GTD REMIC PIT 2011-61 1MG			1	1,243,055	1,249,556	106.1460	1,249,556	1,243,110	1,242,110	(945)		2,000	(0,708)	MON	1,962	3,991	10/23/2012	07/25/2026	
2799999 Subtotal	U.S. Special Revenue, Special Assessment - Commercial Mortgage-Backed Securities				7,429,150	7,375,501	X X X	7,375,501	6,998,534	7,372,624	(30,745)		X X X	X X X	24,631	X X X	X X X			

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes			6 NAIC Designation	7 Actual Cost	8 Fair Value		10 Par Value	11 Book/Adjusted Carrying Value	12-15 Change in Book-Adjusted Carrying Value				16-19 Interest				20 Amount Received During Year	21 Acquired	22 Stated Contractual Maturity Date
		4 F	5 O R E I G N	Bond CHAR			8 Rate Used to Obtain Fair Value	9 Fair Value			10 Total Foreign Exchange Change in B./A.C.V.	14 Current Years Other Than Temporary Impairment Recognized	13 Current Years (Amortization)/ Accretion	12 Unrealized Valuation Increase/(Decrease)	15 Rate of	16 Effective Rate of Interest	17 When Paid	18 Admitted Amount Due and Accrued			
U.S. Special Revenue, Special Assessment - Other Loan-Backed and Structured Securities																					
83162CPP2	SBA GTD PARTN CTFS 2005-20F 1			1		3,778,993	11,4650	3,779,926	3,391,132	3,779,971				4,570	2,291	JD	12,915	79,838	09/06/2012	06/01/2025	
289999 Subtotal	U.S. Special Revenue, Special Assessment - Other Loan-Backed and Structured Securities					3,778,993	XX XX	3,779,926	3,391,132	3,779,971			XXX	XXX	XXX	XXX	12,915	79,838	XX XX	XXX	
3199999 Subtotal	U.S. Special Revenue, Special Assessment					51,638,183	XX XX	51,340,497	48,837,346	51,212,400		1,240	(292,286)	XXX	XXX	XXX	228,107	742,997	XXX	XXX	
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
06739FZ9	BARCLAYS BANK PLC	F			1FE	352,745	106.4020	345,807	325,000	337,598		(7,996)		5,200	2,608	JJ	8,028	16,900	02/01/2011	07/10/2014	
44328MAD6	HSBC BANK PLC	F			1FE	1,102,288	100.7000	1,107,700	1,100,000	1,100,485		(781)		1,625	1,559	FA	6,902	17,875	09/01/2010	08/12/2013	
65598EA14	NORDEA BK FINLAND INSTL C/D	F			1FE	1,103,707	100.3420	1,103,762	1,100,000	1,103,217		(490)		0,783	0,511	JAO	1,532		11/02/2012	01/27/2014	
21686CAD2	RABOBANK NEDERLAND UTRECHT	F			1FE	1,727,102	107.4290	1,761,836	1,640,000	1,720,297		(6,805)		3,375	2,119	JJ	24,908		08/23/2012	01/19/2017	
822582A05	SHELL INTERNATIONAL FINANCE BV	F			1FE	1,764,526	105.9360	1,747,944	1,650,000	1,750,198		(14,327)		3,100	0,641	JD	426	25,575	08/23/2012	06/28/2015	
874060AA4	TAKEDA PHARMACEUTICAL 144A	F			1FE	1,415,668	104.3980	1,415,584	1,410,000	1,414,896		(772)		1,031	0,874	MS	4,200	2,422	08/24/2012	03/17/2015	
00440EA17	ACE INA HOLDINGS	F			1FE	1,327,495	104.9600	1,364,740	1,300,000	1,320,391		(6,770)		2,600	2,050	MN	3,568	33,800	12/13/2011	11/23/2015	
00440EA22	ACE INA HOLDINGS INC	F			1FE	731,510	107.3900	698,035	650,000	690,314		(27,173)		5,875	5,556	JD	1,697	38,188	06/23/2011	06/15/2014	
001055AE2	AFLAC INC	F			1FE	1,495,368	106.7110	1,493,954	1,400,000	1,491,079		(4,289)		3,450	0,935	FA	18,247		11/16/2010	04/30/2013	
021003MB06	ALLSTATE LIFE GLOBAL FDG SEC2	F			1FE	1,358,432	101.6560	1,265,617	1,245,000	1,258,340		(39,726)		5,375	2,122	AO	11,339	66,919	06/09/2010	04/30/2013	
0258MD82	AMER EXPRESS CREDIT CO	F			1FE	725,270	100.8970	726,458	720,000	723,991		(1,280)		1,223	0,849	MUSD	171	4,628	07/24/2012	06/24/2014	
0258MDC20	AMERICAN EXPRESS CREDIT CORP	F			1FE	1,761,739	107.1340	1,766,998	1,640,000	1,757,022		(24,716)		5,125	0,767	FA	29,418	8,713	08/29/2012	06/25/2014	
0258MD065	AMERICAN EXPRESS CREDIT CORP	F			1FE	489,900	102.0940	510,470	500,000	489,916		16		1,750	1,765	JD	462	4,375	06/07/2012	08/12/2015	
02666G443	AMERICAN HONDA FINANCE	F			1FE	1,666,510	100.9540	1,679,419	1,670,000	1,666,891		381		1,000	1,075	FA	5,103		09/04/2012	08/11/2015	
035231BA5	ANHEUSER-BUSCH INBEV WORLDWIDE	F			1FE	2,035,360	105.9100	2,022,861	1,910,000	2,023,027		(12,332)		2,875	0,949	FA	20,745		09/04/2012	02/15/2016	
039483AW2	ARCHER-DANIELS-MIDLAND CO	F			1FE	1,664,667	100.0630	1,667,050	1,666,000	1,664,978		311		2,500	1,139	FA	5,507		08/27/2012	02/15/2014	
00206RAV4	AT & T INC	F			1FE	1,215,718	104.2580	1,215,648	1,166,000	1,206,979		(6,739)		2,500	1,139	FA	11,012	14,575	06/06/2012	08/15/2015	
76387GP8	AT&T INC	F			1FE	1,249,399	107.4200	1,235,330	1,150,000	1,236,969		(17,455)		5,100	0,636	MS	17,269	20,400	12/26/2012	09/15/2014	
06051GEA3	BANK OF AMERICA CORP	F			1FE	1,700,925	115.4760	1,732,140	1,500,000	1,683,469		(22,542)		4,300	1,377	MN	6,126	39,560	08/23/2012	05/15/2014	
06406HBL2	BANK OF NEW YORK MELLON	F			1FE	1,189,183	104.7730	1,171,832	1,115,000	1,159,527		(6,640)		3,100	0,833	JJ	25,015	7,750	12/20/2012	01/15/2015	
06406H8	BANK OF NEW YORK MELLON	F			1FE	1,838,770	103.1300	1,830,130	1,750,000	1,830,130				1,969	1,213	JD	1,745	28,551	08/13/2012	06/20/2017	
064058AA8	BANK OF NEW YORK MELLON CORP	F			1FE	3,003,530	103.1300	2,990,770	2,900,000	2,995,566		(20,104)		5,900	1,045	MS	27,809	29,925	09/11/2012	09/01/2016	
071813AA9	BAXTER INTERNATIONAL INC	F			1FE	1,680,590	117.9030	1,687,148	1,414,000	1,660,492		(15,179)		5,700	1,189	MN	7,668		09/11/2012	11/5/2014	
07385TAL5	BEAR STEARNS COS LLC/THE	F			1FE	1,152,702	108.6670	1,141,004	1,050,000	1,137,623		(4,506)		2,248	2,011	MN	7,463	29,925	09/11/2012	11/5/2014	
05566GB14	BFCAPITAL MARKETS PLC	F			1FE	2,023,120	104.0380	2,080,760	2,000,000	2,018,132		(2,067)		2,875	2,875	FA	5,507	44,960	11/22/2011	08/15/2013	
11012ZAL2	BRISTOL MYERS SQUIBB COS SR NT	F			1FE	678,089	102.9970	643,731	625,000	638,752		(4,046)		638,752	2,520	1,704	FA	12,396	32,813	07/25/2011	08/15/2013
14912L4L2	CATERPILLAR FINANCIAL SERVICES COR	F			1FE	915,687	100.4480	904,032	900,000	902,752		(30,068)		2,000	0,828	AO	4,300	18,000	10/06/2011	04/05/2013	
14912L4F5	CATERPILLAR FINANCIAL SERVICES COR	F			1FE	1,676,874	106.6150	1,652,533	1,550,000	1,646,806		(26,439)		6,125	0,563	FA	35,338		08/29/2012	02/17/2014	
92344SAP5	CELCO PARTNERSHIP / VERIZON W	F			1FE	720,181	104.9740	682,331	650,000	679,062		(7,926)		1,625	0,379	MS	15,031	36,075	06/09/2011	02/01/2014	
17275RAJ1	CISCO SYSTEMS INC	F			1FE	1,834,836	101.4960	1,826,928	1,800,000	1,826,910		(17,113)		4,587	2,410	JD	8,684	53,897	08/24/2012	12/15/2014	
172967F9	CITIBANK INC	F			1FE	2,513,203	109.1750	2,565,613	2,350,000	2,496,090		(4,926)		3,044	0,345	MUSD	130	2,416	03/09/2012	03/14/2014	
191216AW0	COCA-COLA CO/THE	F			1FE	800,000	99.9730	799,764	800,000	800,000				1,625	0,566	JJ	10,852		09/24/2012	01/15/2014	
202795HW3	COMMONWEALTH EDISON	F			1FE	1,496,099	101.0770	1,490,866	1,475,000	1,491,173		(800)		1,300	0,992	JJ	10,833		11/05/2012	07/31/2015	
233851A07	DANIEL FINANCE NA LLC 144A	F			1FE	2,007,388	100.5810	2,011,620	2,000,000	2,006,598		(62)		2,300	0,962	JJ	3,846	68,200	12/26/2012	01/09/2015	
233851A13	DANIEL FINANCE NORTH AME 144A	F			1FE	359,226	102.4050	358,418	200,000	359,164		(18,491)		3,100	2,195	AO	17,960		06/23/2011	04/01/2016	
24702RAP6	DELL INC	F			1FE	2,920,948	105.0270	2,910,594	2,800,000	2,822,959		(17,518)		586,462	500,000	AO	6,625	26,500	02/29/2012	04/01/2016	
264399EA6	DUKE ENERGY CAROLINAS LLC	F			1FE	575,960	112.5070	562,535	500,000	558,462				3,100	0,983	AO	6,625		02/29/2012	04/01/2016	
263534CH0	EDU POINT DE NEUMOURS & CO	F			1FE	930,000	100.4780	934,445	930,000	930,000				122	0,789	MUSD	122	8,397	03/22/2011	03/25/2014	
341099CC1	FLORIDA PWR CORP 1ST MTG BD	F			1FE	1,506,346	100.7190	1,410,066	1,400,000	1,408,120		(48,242)		4,800	1,317	MS	22,400	67,200	12/15/2010	03/01/2013	
36962G5W2	GENERAL ELEC CAP CORP	F			1FE	2,031,759	102.7140	2,054,280	2,000,000	2,022,032		(9,727)		1,016	1,603	JJ	20,544	21,500	02/03/2012	01/09/2015	
36962G5X8	GENERAL ELEC CAP CORP	F			1FE	1,100,000	100.7280	1,108,008	1,100,000	1,100,000				2,150	1,171	JAO	2,429	6,374	04/24/2012	04/24/2014	
36962G4C5	GENERAL ELECTRIC CAP CORP	F			1FE	4,724,518	107.1710	4,822,695	4,500,000	4,589,530		(46,793)		5,900	4,453	MN	35,400	290,750	08/23/2012	05/13/2014	
36962G4H4	GENERAL ELECTRIC CAPITAL CORP	F			1FE	1,017,990	100.0280	1,000,280	1,000,000	1,000,277		(14,120)		2,800	1,378	JJ	13,456	28,000	09/29/2011	01/08/2013	
37333AJM4	GLAXOSMITHKLINE CAPITAL PLC	F			1FE	1,711,581	104.4360	1,596,826	1,529,000	1,577,180		(66,700)		6,000	2,182	MN	15,290	91,740	07/01/2011	11/01/2013	
373733AC9	GLAXOSMITHKLINE CAPITAL PLC	F			1FE	1,003,800	101.4540	1,014,540	1,000,000	1,003,350		(450)		1,500	1,425	MN	4,208	7,458	05/23/2012	05/08/2017	
38141GEA8	GOLDMAN SACHS GROUP INC SR NT	F			1FE	1,847,558	107.4280	1,906,847	1,775,000	1,819,366		(19,762)		5,125	3,075	JJ	41,947	55,734	01/19/2012	01/15/2015	
38141GG15	GOLDMAN SACHS GROUP INC/THE	F			1FE	980,664	104.2260	990,147	906,000	976,977		(3,687)		5,400	1,019	MS	5,051	15,675	09/11/2012	05/03/2015	
437076AP7	HOMEROT INC/THE	F																			

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3			4			5		6		7		8		9		10		11		12		13		14		15			16			17			18			19			20			21			22		
		CUSIP Identification	Description	Code	N	F	O	R	E	I	G	NAIC Designation	Actual Cost	Fair Value	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Years' (Amortization)/ Accretion	Current Years' Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of Interest	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date														
565055AP1	MEDTRONIC INC SR NT					IFE	408,410	418,616	104.6540	418,616	400,000	402,210	(1,761)									4.500	4.069	MS	5,300	18,000	04/23/2009	03/15/2014	5,300	18,000	04/23/2009	03/15/2014	5,300	18,000	04/23/2009	03/15/2014															
59217EBW3	METROPOLITAN LIFE GLOBAL FUNDI					IFE	1,732,752	1,700,960	106.3100	1,700,960	1,600,000	1,691,115	(41,637)									5.125	1.135	JD	4,783	82,000	05/01/2012	06/10/2014	4,783	82,000	05/01/2012	06/10/2014	4,783	82,000	05/01/2012	06/10/2014															
617465BG1	MORGAN STANLEY					IFE	861,144	920,522	96.8970	920,522	950,000	888,568	7,424									0.820	3.291	AO	1,645	2,246	08/23/2012	07/15/2014	1,645	2,246	08/23/2012	07/15/2014	1,645	2,246	08/23/2012	07/15/2014															
64952WBZ2	MORGAN STANLEY					IFE	1,051,200	1,087,180	108.1780	1,087,180	1,000,000	1,045,626	(5,574)										1.300	3.674	AO	1,347	26,875	08/21/2012	01/15/2015	1,347	26,875	08/21/2012	01/15/2015	1,347	26,875	08/21/2012	01/15/2015														
653522D02	NEW YORK LIFE GLOBAL FDG					IFE	1,523,353	1,544,871	101.3030	1,544,871	1,525,000	1,523,881	528										1.300	2.041	AO	8,883	9,913	01/09/2012	01/12/2015	8,883	9,913	01/09/2012	01/12/2015	8,883	9,913	01/09/2012	01/12/2015														
670346AG0	NIAGARA MOHAWK POWER					IFE	1,059,890	1,045,790	104.5790	1,045,790	1,000,000	1,026,059	(14,477)										5.750	2.041	AO	3,553	35,530	08/18/2010	10/01/2014	3,553	35,530	08/18/2010	10/01/2014	3,553	35,530	08/18/2010	10/01/2014														
670346AG0	NUCOR CORP					IFE	3,639,720	3,598,920	119.9640	3,598,920	3,000,000	3,632,816	(6,404)										0.390	0.568	FMAN	2,192	5,581	09/28/2011	05/10/2013	2,192	5,581	09/28/2011	05/10/2013	2,192	5,581	09/28/2011	05/10/2013														
713448BX5	PEPSICO INC					IFE	999,370	1,000,600	100.0600	1,000,600	1,000,000	999,820	357										0.718	0.623	MS	5,075	5,625	12/26/2012	03/05/2015	5,075	5,625	12/26/2012	03/05/2015	5,075	5,625	12/26/2012	03/05/2015														
713448BX5	PEPSICO INC					IFE	2,106,543	2,107,560	100.3760	2,107,560	2,100,000	2,105,825	(718)											1.250	1.003	FA	4,792	5,625	09/24/2012	08/13/2017	4,792	5,625	09/24/2012	08/13/2017	4,792	5,625	09/24/2012	08/13/2017													
718172AB5	PHILIP MORRIS INTERNATIONAL IN					IFE	696,800	660,524	101.6190	660,524	600,000	609,407	(640)											4.875	1.004	MN	3,981	31,688	06/29/2011	05/16/2013	3,981	31,688	06/29/2011	05/16/2013	3,981	31,688	06/29/2011	05/16/2013													
74153WB5J	PRICOR GBL INTD #TR00033 144A					IFE	423,583	450,243	100.0540	450,243	450,000	445,354	(628)											1.000	1.886	MUSD	28	3,045	10/02/2009	09/27/2013	28	3,045	10/02/2009	09/27/2013	28	3,045	10/02/2009	09/27/2013													
74298LAC3	PRINCIPAL LIFE GLOBAL FUN 144A					IFE	914,405	913,655	99.8530	913,655	915,000	914,420	15											1.000	1.025	JD	508	1,825	02/01/2012	02/06/2014	508	1,825	02/01/2012	02/06/2014	508	1,825	02/01/2012	02/06/2014													
742718DX4	PROCTER & GAMBLE CO THE					IFE	600,000	599,694	99.9490	599,694	600,000	600,000	0											0.850	0.875	FMAN	217	9,960	08/10/2011	08/15/2014	9,960	9,960	08/10/2011	08/15/2014	9,960	9,960	08/10/2011	08/15/2014													
744560AY2	PUBLIC SVC ELEC & GAS					IFE	1,179,307	1,179,512	100.3840	1,179,512	1,175,000	1,174,625	229											0.875	3.773	FA	3,773	9,960	08/10/2011	08/15/2014	9,960	9,960	08/10/2011	08/15/2014	9,960	9,960	08/10/2011	08/15/2014													
744560AY2	PUBLIC SVC ELEC GAS CO SECD ME					IFE	315,941	293,376	104.7770	293,376	280,000	287,659	(6,936)											3.300	3.008	MN	2,954	17,724	09/23/2009	11/01/2013	2,954	17,724	09/23/2009	11/01/2013	2,954	17,724	09/23/2009	11/01/2013													
76720AAE6	RIO TINTO FIN USA PLC					IFE	3,028,500	3,037,470	101.2490	3,037,470	3,000,000	3,026,978	(1,522)											1.625	1.426	FA	17,604	17,724	09/23/2009	08/21/2017	17,604	17,724	09/23/2009	08/21/2017	17,604	17,724	09/23/2009	08/21/2017													
771196AG5	ROCHE HDGS INC GTD NT 144A					IFE	1,525,015	1,482,199	105.0460	1,482,199	1,411,000	1,470,590	(28,103)											5.000	1.351	MS	23,517	44,300	09/21/2012	02/01/2014	23,517	44,300	09/21/2012	02/01/2014	23,517	44,300	09/21/2012	02/01/2014													
828807C99	SIMON PROPERTY GROUP LP					IFE	1,326,871	1,325,625	106.0500	1,325,625	1,250,000	1,302,319	(23,951)											4.200	1.878	FA	21,875	39,900	04/04/2012	02/01/2015	21,875	39,900	04/04/2012	02/01/2015	21,875	39,900	04/04/2012	02/01/2015													
842400FM0	SOUTHERN CALIF EDISON SER A					IFE	174,976	185,028	105.7300	185,028	175,000	174,992	5											4.150	4.196	MS	2,138	7,263	03/17/2009	09/15/2014	2,138	7,263	03/17/2009	09/15/2014	2,138	7,263	03/17/2009	09/15/2014													
842400FM0	SOUTHERN CALIF EDISON EDISON CO					IFE	1,341,302	1,279,549	104.4530	1,279,549	1,225,000	1,272,967	(45,608)											5.000	1.200	JJ	28,243	61,250	06/30/2011	07/15/2014	28,243	61,250	06/30/2011	07/15/2014	28,243	61,250	06/30/2011	07/15/2014													
871612AW6	TARGET CORP					IFE	1,647,343	1,640,811	100.9730	1,640,811	1,625,000	1,643,270	(1,430)											1.125	0.936	JJ	8,277	48,000	11/22/2011	11/10/2016	8,277	48,000	11/22/2011	11/10/2016	8,277	48,000	11/22/2011	11/10/2016													
88165FAC6	TEVA PHARMACEUTICAL FINANCE IV					IFE	2,007,420	2,084,240	104.2120	2,084,240	2,000,000	2,005,938	(1,430)											2.400	2.334	MN	8,800	48,000	11/22/2011	11/10/2016	8,800	48,000	11/22/2011	11/10/2016	8,800	48,000	11/22/2011	11/10/2016													
88168FAA5	TEVA PHARMACEUTICAL FINANCE IV					IFE	1,536,600	1,534,550	102.3020	1,534,550	1,500,000	1,500,754	(5,846)											1.700	0.950	MN	3,613	12,750	08/23/2012	07/17/2015	3,613	12,750	08/23/2012	07/17/2015	3,613	12,750	08/23/2012	07/17/2015													
89233P6J0	TOYOTA MOTOR CREDIT CORP					IFE	1,855,589	1,857,622	100.4120	1,857,622	1,850,000	1,854,907	(682)											0.875	0.771	JJ	7,284	27,000	10/11/2011	07/15/2013	7,284	27,000	10/11/2011	07/15/2013	7,284	27,000	10/11/2011	07/15/2013													
913071XG1	UNITED PARCEL SVC INC					IFE	630,210	600,888	100.1430	600,888	600,000	600,935	0											4.500	0.491	JJ	12,450	27,000	10/11/2011	07/15/2013	12,450	27,000	10/11/2011	07/15/2013	12,450	27,000	10/11/2011	07/15/2013													
913071XG1	UNITED PARCEL SVC INC					IFE	445,000	449,383	100.9850	449,383	445,000	445,000	0											0.010	0.010	MUSD	4	2,157	05/24/2012	06/01/2015	4	2,157	05/24/2012	06/01/2015	4	2,157	05/24/2012	06/01/2015													
9159HGX2	US BANCORP					IFE	1,262,883	1,254,660	104.5190	1,254,660	1,210,000	1,252,093	(10,599)											2.450	1.078	JJ	12,681	14,823	05/04/2012	07/27/2015	12,681	14,823	05/04/2012	07/27/2015	12,681	14,823	05/04/2012	07/27/2015													
9159HGX2	US BANCORP					IFE	349,346	356,615	101.8900	356,615	350,000	349,428	83											1.650	1.696	MN	738	3,000	05/03/2012	05/15/2017	738	3,000	05/03/2012	05/15/2017	738	3,000	05/03/2012	05/15/2017													
92343VBD5	VERIZON COMMUNICATIONS					IFE	2,500,000	2,029,325	103.4930	2,029,325	2,500,000	2,500,000	0										2.000	2.010	MN	8,333	49,722	11/22/2011	03/20/2017	8,333	49,722	11/22/2011	03/20/2017	8,333	49,722	11/22/2011	03/20/2017														
92857WAX8	VODAFONE GROUP PLC					IFE	1,966,140	1,966,140	10																																										

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes			6 NAIC Designation	7 Actual Cost	8 Fair Value		10 Par Value	11 Book/Adjusted Carrying Value	12 Unrealized Valuation Increase/(Decrease)	13 Current Years (Amortization)/Accretion	14 Current Years Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	Interest				20 Amount Received During Year	21 Acquired	22 Stated Contractual Maturity Date	
		4 F	5 O R E I G	Bond CHAR			9 Rate Used to Obtain Fair Value	16 Rate of							17 Effective Rate of Interest	18 When Paid	19 Admitted Amount Due and Accrued					
34529RAD3	FORD CREDIT AUTO OWNER TR B A4				IFE	389,960	406,004	400,000	389,978		12				1.350	1.362	MON	240	5,400	07/19/2011	12/15/2016	
34529GBA1	FORD CREDIT FLOORPLAN MAS 1 A2				IFE	1,591,788	1,586,525	1,580,000	1,588,939		(2,880)				0.821	(0.042)	MON	576	4,467	08/22/2012	02/15/2016	
36159JCC3	GENMT 2010-3 A				IFE	664,650	655,356	650,000	658,002		(5,812)				2.210	(0.488)	MON	638	14,865	10/27/2011	06/15/2016	
41283TAB4	HARLEY-DAVIDSON MOTORCYCL 1 A2				IFE	2,501,655	2,502,700	2,500,000	2,501,793		(63)				0.500	0.418	MON	556	5,760	12/20/2012	08/15/2015	
41283NAD3	HARLEY-DAVIDSON MOTORCYCL 1 A3				IFE	601,125	602,454	600,000	600,620		(401)				0.960	0.871	MON	256	5,760	09/30/2011	05/15/2016	
41283TAC2	HARLEY-DAVIDSON MOTORCYCL 1 A3				IFE	1,047,123	1,048,250	1,045,000	1,046,809		(313)				0.680	0.570	MON	316	1,777	09/25/2012	04/17/2017	
41283KAD9	HARLEY-DAVIDSON MOTORCYCL 1 A4				IFE	668,763	664,976	660,000	669,594		438				1.530	1.107	MON	449	10,098	02/02/2011	12/15/2014	
43813EAB2	HONDA AUTO RECEIVABLES 2A2				IFE	999,996	1,001,300	1,000,000	999,998		2				0.560	0.562	MON	249	3,578	04/18/2012	11/17/2014	
43813EAD8	HONDA AUTO RECEIVABLES 2A4				IFE	1,299,751	1,310,517	1,300,000	1,299,833		81				0.910	0.923	MON	526	7,558	04/18/2012	05/15/2018	
44890CAD7	HYUNDAI AUTO RECEIVABLES A4				IFE	2,118,703	2,119,341	2,100,000	2,118,558		(145)				0.950	0.448	MON	887	2,448	09/28/2011	12/15/2016	
44891BAB2	HYUNDAI AUTO RECEIVABLES A2				IFE	304,428	304,704	304,455	304,437		5				0.570	0.691	MON	100	2,448	09/28/2011	07/15/2014	
47787BAB1	JOHN DEERE OWNER TRUST A A2				IFE	819,888	820,465	819,889	819,896		8				0.820	0.824	MON	299	3,616	02/22/2012	06/16/2014	
47787BAB6	JOHN DEERE OWNER TRUST B A2				IFE	4,193,881	4,193,952	4,160,000	4,193,905		23				0.430	0.433	MON	795	4,969	08/28/2012	02/17/2015	
56768UAA1	MERCEDES BENZ MASTER AAA 144A				IFE	1,649,897	1,647,707	1,650,000	1,649,602		15				0.790	0.806	MON	688	4,969	08/28/2012	02/17/2015	
65475UAB8	NISSAN AUTO RECEIVABLES O A A2				IFE	649,359	649,866	649,418	649,412		54				0.540	0.543	MON	156	2,844	02/15/2012	10/15/2014	
65476OAB7	NISSAN AUTO RECEIVABLES O B A2				IFE	499,620	500,435	499,670	499,657		32				0.740	0.750	MON	164	3,694	11/09/2011	09/15/2014	
92867FAB1	VOLKSWAGEN AUTO LEASE TRU A A2				IFE	2,500,879	2,500,950	2,500,000	2,500,852		(27)				0.390	0.355	MON	433	12,200	12/20/2012	04/15/2015	
98158KAC3	WORLD OMNI AUTO RECEIVABLE A3				IFE	224,665	224,910	224,667	224,666		1				1.100	1.107	MON	76	2,247	11/16/2011	02/20/2014	
98158NAB9	WORLD OMNI AUTOMOBILE LE A2				IFE	169,055	168,987	168,877	168,966		(59)				0.810	0.372	MON	317	7,122	11/02/2011	05/15/2015	
359999 Subtotal - Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities						32,298,333	32,228,626	31,856,521	32,212,106		(80,072)				X X X	X X X	X X X	33,098	216,775	X X X	X X X	X X X
389999 Subtotal - Industrial & Miscellaneous (Unaffiliated)						185,472,053	185,161,413	180,968,113	183,853,642		(1,140,510)				X X X	X X X	X X X	1,046,903	2,565,571	X X X	X X X	X X X
779999 Subtotal - Issuer Obligations						191,011,292	190,707,771	175,531,000	189,195,060		(1,241,653)				X X X	X X X	X X X	1,202,822	2,493,624	X X X	X X X	X X X
789999 Subtotal - Residential Mortgage-Backed Securities						16,607,408	16,500,407	15,367,680	16,569,547		(36,757)				X X X	X X X	X X X	56,500	138,484	X X X	X X X	X X X
799999 Subtotal - Commercial Mortgage-Backed Securities						21,313,739	21,173,498	20,032,126	21,161,532		(102,646)	1,240			X X X	X X X	X X X	78,895	369,847	X X X	X X X	X X X
809999 Subtotal - Other Loan-Backed and Structured Securities						38,221,274	38,154,371	37,217,641	38,133,740		(81,380)				X X X	X X X	X X X	62,355	336,906	X X X	X X X	X X X
839999 Grand Total - Bonds						267,153,713	266,536,047	248,148,447	265,079,879		(1,462,436)	1,240			X X X	X X X	X X X	1,400,572	3,338,861	X X X	X X X	X X X

SCHEDULE D - PART 2 - SECTION 2

Showing All Common Stocks Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Number of Shares	6 Book/Adjusted Carrying Value	7 Rate per Share Used to Obtain Fair Value	8 Fair Value	9 Actual Cost	10 Dividends		12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 13-14)	16 Total Foreign Exchange Change in B./A.C.V.	17 NAIC Market Indicator (a)	18 Date Acquired	
		3	4						11 Amount Received During Year	11 Declared but Unpaid								
NONE																		
989999 Total Preferred and Common Stocks XXX...																		
(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues .....0, the total \$ value (included in Column 8) of all such issues \$0.																		

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks Acquired During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
83162CRA3	SBA GTD PARTN CTF5 2007-20E 1		10/22/2012	Merrill Lynch	XXX	1,003,247	872,744.40	22,399
912828PQ7	U S TREASURY NOTE		12/20/2012	Morgan Stanley	XXX	2,017,188	2,000,000.00	8,641
912828PS3	U S TREASURY NOTE		12/28/2012	VARIOUS	XXX	6,170,500	5,877,000.00	47,081
912828RQ5	U S TREASURY NOTE		12/20/2012	Morgan Stanley	XXX	3,005,859	3,000,000.00	1,119
912828RZ5	U S TREASURY NOTE		12/19/2012	VARIOUS	XXX	6,005,530	6,009,000.00	6,402
912828RB8	U S TREASURY NOTES		12/20/2012	Credit Suisse	XXX	3,012,070	3,000,000.00	5,217
912828SW1	U S TREASURY NOTES		12/20/2012	UBS Secs	XXX	2,000,234	2,000,000.00	288
912828TP5	U S TREASURY NT		12/17/2012	Jefferies & Co	XXX	2,658,034	2,665,000.00	1,730
912828NP1	UNITED STATES TREASURY NOTE		08/21/2012	Credit Suisse	XXX	8,833,056	8,500,000.00	8,893
0599999	Subtotal - Bonds - U.S. Governments					34,705,718	33,923,744.40	101,770
Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)								
491189FC5	KENTUCKY ASSET / LIABILITY COM		09/19/2012	Raymond James	XXX	1,218,590	1,165,000.00	17,719
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)					1,218,590	1,165,000.00	17,719
Bonds - U.S. Special Revenue, Special Assessment								
313373JR4	FEDERAL HOME LN BK CONS BD		06/14/2012	Morgan Stanley	XXX	4,383,506	4,300,000.00	2,792
3135G0BY8	FEDERAL NATL MTG ASSN		09/18/2012	Bank of America	XXX	4,042,640	4,000,000.00	2,042
3136FT4N6	FEDERAL NATL MTG ASSN		03/22/2012	VSHF - Pledged Assets	XXX	2,994,375	3,000,000.00	
3128S5LE2	FILMC POOL #1Q-1225		09/01/2012	BNP Paribas Securities	XXX	3,272,681	3,054,120.52	4,546
3128S5SP0	FILMC POOL #1Q-1426		08/16/2012	JPMorgan Securities Inc,	XXX	3,435,661	3,205,281.40	5,302
31393NK24	FILMC MULTICLASS MTG		08/24/2012	Deutsche Bank Secs	XXX	2,515,769	2,337,532.54	9,090
3137ACT41	FILMC MULTICLASS MTG 3902 MA		08/22/2012	Barclays Bank NY	XXX	1,630,578	1,517,257.61	4,931
31403DHF9	FNMA POOL #0745530		09/11/2012	BANK OF AMERICA	XXX	3,346,871	2,948,784.71	5,614
3138EH4T6	FNMA POOL #0AL1733		08/16/2012	Wells Fargo Securities LL	XXX	3,261,623	3,062,556.90	4,641
3138EJPA0	FNMA POOL #0AL2216		10/17/2012	BNP Paribas Securities	XXX	3,376,987	3,152,380.19	4,783
31394AW69	FNMA GTD REMIC P/T		10/16/2012	Barclays Capital	XXX	834,582	825,297.03	2,166
31397UAX2	FNMA GTD REMIC P/T 2011-61 MG		10/23/2012	MS SECURITIES	XXX	1,286,088	1,217,958.50	1,692
83162CPP2	SBA GTD PARTN CTF5 2005-20F 1		09/06/2012	Merrill Lynch	XXX	4,182,402	3,753,137.31	47,644
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment					38,563,763	36,374,306.71	95,243
Bonds - Industrial and Miscellaneous (Unaffiliated)								
6558EAY4	NORDEA BK FINLAND INSTL C/D	F	11/02/2012	Merrill Lynch	XXX	1,103,707	1,100,000.00	215
21686CAD2	RABOBANK NEDERLAND UTREC	F	08/23/2012	Goldman Sachs NY	XXX	1,727,102	1,640,000.00	5,565
822582AQ5	SHELL INTERNATIONAL FINANCE BV	F	08/23/2012	VARIOUS	XXX	1,764,526	1,650,000.00	8,129
874060AA4	TAKEDA PHARMACEUTICAL 144A	F	08/24/2012	RBC Capl Markets	XXX	1,415,668	1,410,000.00	1,696
001055AE2	AFLAC INC		11/16/2012	Stifel Nicolaus	XXX	1,495,368	1,400,000.00	12,880
0258M0DB2	AMER EXPRESS CREDIT CO		07/24/2012	Mizuho Secs	XXX	725,270	720,000.00	843
0258M0CZ0	AMERICAN EXPRESS CREDIT CORP		08/29/2012	VARIOUS	XXX	1,781,739	1,640,000.00	9,547
0258M0DE6	AMERICAN EXPRESS CREDIT CORP		06/07/2012	UBS Secs	XXX	499,900	500,000.00	
02666QL43	AMERICAN HONDA FINANCE		09/04/2012	BNP Paribas Securities	XXX	1,666,510	1,670,000.00	
039483AW2	ANHEUSER-BUSCH INBEV WORLDWIDE		09/04/2012	VARIOUS	XXX	2,035,360	1,910,000.00	2,162
00206RAV4	ARCHER-DANIELS-MIDLAND CO		08/27/2012	Nomura Secs Intl	XXX	1,664,667	1,666,000.00	607
78387GAP8	AT & T INC		06/06/2012	Wells Fargo Securities LL	XXX	1,215,718	1,166,000.00	9,393
06051GEA3	BANK OF AMERICA CORP		12/26/2012	VARIOUS	XXX	1,249,399	1,150,000.00	23,956
06406HBL2	BANK OF NEW YORK MELLON		08/23/2012	VARIOUS	XXX	1,700,925	1,500,000.00	6,410
06406HNB8	BANK OF NEW YORK MELLON		08/27/2012	JPMorgan Securities Inc,	XXX	415,284	390,000.00	4,891
064058AA8	BANK OF NEW YORK MELLON CORP/T		12/20/2012	VARIOUS	XXX	1,838,770	1,750,000.00	19,526
071813AW9	BAXTER INTERNATIONAL INC		08/13/2012	Mellon	XXX	3,003,530	2,900,000.00	8,882
07383FXN3	BEAR STEARNS COMMERCIAL T12 A4		09/11/2012	Merrill Lynch	XXX	1,680,596	1,414,000.00	3,013
07385TAJ5	BEAR STEARNS COS LLC/THE		09/10/2012	Morgan Stanley	XXX	683,602	664,295.42	1,036
			09/11/2012	VARIOUS	XXX	1,152,702	1,050,000.00	18,517

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
14313GAB3	CARMAX AUTO OWNER TRUST 1 A2		02/07/2012	JPMorgan Securities Inc,	XXX	699,952	700,000.00	
14912L4F5	CATERPILLAR FINANCIAL SERVICES COR		08/29/2012	VARIOUS	XXX	1,676,874	1,550,000.00	2,906
12513EAG9	CD 2005 C1 2005-C1 CL A4		08/15/2012	Merrill Lynch	XXX	2,027,341	1,810,000.00	5,152
17275RAJ1	CISCO SYSTEMS INC		08/27/2012	VARIOUS	XXX	1,834,836	1,800,000.00	13,163
17305EY0	CITIBANK CREDIT CARD I A10 A10		12/21/2012	VARIOUS	XXX	812,476	780,000.00	1,666
17296FH9	CITIBANK INC		08/24/2012	Deutsche Bank Secs	XXX	2,513,203	2,350,000.00	21,011
17308BAN8	CITIBANK OMNI MASTERT A17 A17		08/14/2012	Merrill Lynch	XXX	3,464,471	3,175,000.00	39,758
12513YAC4	CITIGROUP/DEUTSCHE BAN CD4 A2B		08/27/2012	Deutsche Bank Secs	XXX	1,404,509	1,379,928.68	5,985
12616VAC6	CNH EQUIPMENT TRUST C A3		10/19/2012	JPMorgan Securities Inc,	XXX	656,500	650,000.00	193
191216AW0	COCA-COLA CO/THE		03/09/2012	Deutsche Bank Secs	XXX	800,000	800,000.00	
202795HW3	COMMONWEALTH EDISON		09/24/2012	VARIOUS	XXX	1,496,099	1,475,000.00	3,602
233851AQ7	DAMLER FINANCE NA LLC 144A		11/05/2012	VARIOUS	XXX	2,007,388	2,000,000.00	2,542
233851AJ3	DAMLER FINANCE NORTH AME 144A		12/26/2012	Goldman Sachs NY	XXX	359,226	350,000.00	3,846
26250GAA4	DRYROCK ISSUANCE TRUST 1 A		11/09/2012	Barclays Capital	XXX	690,000	690,000.00	
264399EM4	DUKE ENERGY CAROLINAS LLC		02/29/2012	Keybank Capital Mkts	XXX	575,980	500,000.00	11,336
34530AAB1	FORD CREDIT AUTO OWNER D A2		11/14/2012	Merrill Lynch	XXX	639,975	640,000.00	
34528QBA1	FORD CREDIT FLOORPLAN MAS 1 A2		08/22/2012	Deutsche Bank Secs	XXX	1,591,788	1,580,000.00	442
36962GM2	GENERAL ELEC CAP CORP		02/03/2012	VARIOUS	XXX	2,531,239	2,500,000.00	2,252
36962G5X8	GENERAL ELEC CAP CORP		04/24/2012	Citibank NY	XXX	1,100,000	1,100,000.00	
36962G4C5	GENERAL ELECTRIC CAP CORP		08/23/2012	VARIOUS	XXX	543,798	500,000.00	8,604
37737AC9	GLAXOSMITHKLINE CAPITAL PLC		05/23/2012	VSHHP - Pledged Assets	XXX	1,003,800	1,000,000.00	833
38141GEA8	GOLDMAN SACHS GROUP INC SR NT		01/19/2012	Goldman Sachs NY	XXX	1,423,510	1,375,000.00	1,762
38141GGT5	GOLDMAN SACHS GROUP INC/THE		09/11/2012	VARIOUS	XXX	980,664	950,000.00	10,675
41283TAB4	HARLEY-DAVIDSON MOTORCYCL 1 A2		12/20/2012	Credit Suisse	XXX	2,501,855	2,500,000.00	382
41283TAC2	HARLEY-DAVIDSON MOTORCYCL 1 A3		09/25/2012	Merrill Lynch	XXX	1,047,123	1,045,000.00	257
437076AP7	HOME DEPOT INC/THE		08/21/2012	Pershing LLC	XXX	352,365	306,000.00	7,941
43813EAB2	HONDA AUTO RECEIVABLES 2 A2		04/18/2012	Credit Suisse	XXX	999,996	1,000,000.00	
43813EAD8	HONDA AUTO RECEIVABLES OW 2 A4		04/18/2012	Credit Suisse	XXX	1,299,751	1,300,000.00	
40429CFR8	HSBC FINANCE CORP		11/08/2012	J P Morgan Secs	XXX	796,566	827,000.00	1,384
44890GAD7	HYUNDAI AUTO RECEIVABLES A A4		12/26/2012	Nomura Secs NY	XXX	2,118,703	2,100,000.00	887
459200GW5	INTERNATIONAL BUSINESS MACHINE		08/21/2012	Wells Fargo Securities LL	XXX	1,015,200	1,000,000.00	3,542
464287226	ISHARES BARCLAYS AGGREGATE		10/12/2012	Northern Trust	XXX	8,999,965		
24422ERK7	JOHN DEERE CAPITAL CORP		08/22/2012	Chemical Securities	XXX	908,724	894,000.00	2,639
24422ERX9	JOHN DEERE CAPITAL CORP		10/09/2012	Merrill Lynch	XXX	850,000	850,000.00	
47787BAB1	JOHN DEERE OWNER TRUST A 2		02/22/2012	JPMorgan Securities Inc,	XXX	984,987	985,000.00	
47787RAB6	JOHN DEERE OWNER TRUST B 2		08/28/2012	Merrill Lynch	XXX	4,159,881	4,160,000.00	
46625MB4	JP MORGAN CHASE COMMERC CB8 A4		12/17/2012	Barclays Cap	XXX	1,318,220	1,270,000.00	2,952
46625MA66	JP MORGAN CHASE COMMERC LN1 A2		10/10/2012	Morgan Stanley	XXX	1,086,320	1,055,000.00	2,019
46625MN7	JP MORGAN CHASE COMMERC C2 A3		08/27/2012	Morgan Stanley	XXX	3,407,625	3,200,000.00	14,363
46625HCE8	JP MORGAN CHASE & CO		02/02/2012	JPMorgan Securities Inc,	XXX	1,960,650	1,800,000.00	37,050
46625HJA9	JP MORGAN CHASE & CO		04/01/2012	JPMorgan Securities Inc,	XXX	2,285,800	2,200,000.00	16,748
581557AY1	MCKESSON CORP		11/29/2012	Merrill Lynch	XXX	1,498,455	1,500,000.00	
58768JAA1	MERCEDES BENZ MASTER AA A 144A		12/04/2012	Deutsche Bank Secs	XXX	1,649,587	1,650,000.00	32,800
59217EBW3	METROPOLITAN LIFE GLOBAL FUNDI		05/01/2012	FTN Financial Secs	XXX	1,732,752	1,600,000.00	1,061
61746SBO1	MORGAN STANLEY		08/23/2012	Pershing LLC	XXX	881,144	950,000.00	19,260
61746SBR9	MORGAN STANLEY		08/21/2012	Morgan Stanley	XXX	1,051,200	1,000,000.00	1,228
617451CL1	MORGAN STANLEY CAPITAL HQ7 A4		05/15/2012	Morgan Stanley	XXX	555,605	500,000.00	
64952WBE2	NEW YORK LIFE GLOBAL FDG		01/09/2012	Credit Suisse	XXX	1,523,353	1,525,000.00	
65475UAB8	NISSAN AUTO RECEIVABLES O A 2		02/15/2012	JPMorgan Securities Inc,	XXX	749,931	750,000.00	298
65476GAB8	NISSAN AUTO RECEIVABLES O B A2		12/20/2012	Wells Fargo Securities LL	XXX	2,500,879	2,500,000.00	6,229
670346AG0	NUCOR CORP		12/11/2012	VSHHP - Pledged Assets	XXX	3,639,720	3,000,000.00	6,856
713448BX5	PEPSICO INC		12/26/2012	VARIOUS	XXX	2,106,543	2,100,000.00	
713448CB2	PEPSICO INC		09/24/2012	VSHHP - Pledged Assets	XXX	1,011,870	1,000,000.00	1,528
74256LAC3	PRINCIPAL LIFE GLOBAL FUN 144A		12/04/2012	Deutsche Bank Secs	XXX	914,405	915,000.00	

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
742718DX4	PROCTER & GAMBLE CO/THE		02/01/2012	Goldman Sachs NY	XXX	600,000	600,000.00	
76720AAE6	RIO TINTO FIN USA PLC		09/24/2012	Non Broker Trade	XXX	3,028,500	3,000,000.00	4,875
771196AQ5	ROCHE HDGS INC GTD NT 144A		09/21/2012	VARIOUS	XXX	824,970	775,000.00	13,247
828807CC9	SIMON PROPERTY GROUP LP		04/04/2012	Merrill Lynch	XXX	639,216	600,000.00	4,830
87612EAM6	TARGET CORP		09/11/2012	VARIOUS	XXX	1,647,343	1,625,000.00	2,094
88166HAA5	TEVA PHARMACEUTICAL FINANCE IV		08/23/2012	JPMorgan Securities Inc,	XXX	1,536,600	1,500,000.00	7,650
89233P6J0	TOYOTA MOTOR CREDIT CORP		08/23/2012	VARIOUS	XXX	1,855,589	1,850,000.00	1,658
913017BX6	UNITED TECHNOLOGIES CORP		05/24/2012	JPMorgan Securities Inc,	XXX	445,000	445,000.00	
91159HGX2	US BANCORP		05/04/2012	Keybank Capital Mkts	XXX	1,262,683	1,210,000.00	
91159HD5	US BANCORP		05/03/2012	U S Bancorp	XXX	349,346	350,000.00	
92857WAX8	VODAFONE GROUP PLC		04/01/2012	U S BANK NA	XXX	1,986,140	2,000,000.00	1,083
92976BBN1	WACHOVIA BANK COMMERCIA C22 A4		08/20/2012	Citibank NY	XXX	1,813,008	1,620,000.00	5,414
92976GSS6	WACHOVIA BANK COMMERCIAL C5 A2		08/23/2012	JPMorgan Securities Inc,	XXX	1,260,892	1,239,967.93	3,710
931142CX9	WAL-MART STORES INC		08/23/2012	Stifel Nicolaus	XXX	782,618	760,000.00	3,895
94974BEZ9	WELLS FARGO & CO		09/14/2012	Wells Fargo Securities LL	XXX	1,999,998	1,890,000.00	12,954
94974BFD7	WELLS FARGO & CO		08/13/2012	Mellon	XXX	3,106,860	3,000,000.00	17,325
063679BV5	BANK OF MONTREAL 144A	A	08/24/2012	VARIOUS	XXX	1,747,683	1,650,000.00	9,995
136069DP3	CANADIAN IMP BK COMM NY	A	04/12/2012	Merrill Lynch	XXX	2,023,300	2,000,000.00	2,739
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					142,472,893	128,542,192.03	532,288
8399997	Subtotal - Bonds - Part 3					216,960,964	200,005,243.14	747,020
8399998	Summary item from Part 5 for Bonds					49,264,827	47,485,919.27	193,216
8399999	Subtotal - Bonds					266,225,791	247,491,162.41	940,236
8999998	Summary item from Part 5 for Preferred Stocks						X X X	
9799998	Summary item from Part 5 for Common Stocks						X X X	
9899999	Subtotal - Preferred and Common Stocks						X X X	
9999999	Totals					266,225,791	X X X	940,236

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				15 Total Foreign Exchange Change in B./A.C.V.	16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Contractual Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (Cols. 11+12-13)							
Bonds - U.S. Governments																				
313375BT3	FEDERAL HOME LN BK CONS BD	XXX	02/28/2012	CALLED @ 100.00000000	XXX	2,500,000	2,500,000.00	2,500,000	2,500,000					2,500,000					1,750	09/07/2012
3133XXBJ5	FEDERAL HOME LN BK CONS BD	XXX	03/09/2012	CALLED @ 100.00000000	XXX	3,000,000	3,026,190	3,026,190	3,002,510	(2,510)				3,000,000			4,479	42,750	03/09/2015	
36211V6Q8	GNMA POOL #6524779	XXX	08/21/2012	VARIOUS	XXX	150,879	142,862.81	149,180	148,435	(2,035)				146,400			4,479	4,064	01/15/2024	
36295F4L3	GNMA POOL #676827	XXX	08/21/2012	VARIOUS	XXX	111,403	104,659.77	109,353	109,306	(1,267)				108,039			3,365	3,397	05/15/2023	
36296E5H3	GNMA POOL #689448	XXX	08/21/2012	VARIOUS	XXX	152,477	141,127.45	147,368	146,597	(602)				146,094			6,383	5,002	07/15/2023	
36297A3K7	GNMA POOL #0706502	XXX	08/21/2012	VARIOUS	XXX	116,332	107,553.12	112,309	111,748	(321)				111,427			4,905	3,839	01/15/2024	
36297B4P3	GNMA POOL #0707430	XXX	08/21/2012	VARIOUS	XXX	265,998	247,377.38	258,316	257,025	(1,431)				255,594			10,404	8,668	01/15/2024	
36297CVT3	GNMA POOL #0708126	XXX	08/21/2012	VARIOUS	XXX	144,409	134,513.37	140,609	139,891	(902)				138,989			5,420	4,747	01/15/2024	
38374J6V7	GNMA GTD REMIC P1 04-103 CD	XXX	08/21/2012	VARIOUS	XXX	561,732	549,291.31	569,276	575,390	(5,718)	5,981			563,692			(1,960)	15,803	12/16/2031	
36225EVZ2	GNMA II POOL #082431	XXX	08/22/2012	VARIOUS	XXX	666,234	648,295.23	658,020	657,655	(1,949)				655,706			10,528	13,078	12/20/2039	
36210B4N2	GNMA POOL #0487829	XXX	08/21/2012	VARIOUS	XXX	210,686	198,698.70	205,653	205,653	(1,627)				203,675			7,011	5,630	04/15/2024	
36210B4R3	GNMA POOL #0487832	XXX	08/21/2012	VARIOUS	XXX	213,850	198,265.93	207,188	206,151	(869)				205,282			8,568	7,033	04/15/2024	
38374C3K5	GNMA REMIC P1 03-85 CL VB	XXX	08/14/2012	VARIOUS	XXX	1,206,263	1,198,207.02	1,238,308	1,263,853	(49,615)	43,449			1,214,238			(7,975)	30,187	07/20/2024	
83162CRA3	SBA GTD PARTN CTF5 2007-20E 1	XXX	01/31/2012	PRINCIPAL RECEIPT	XXX	67,577	67,576.72	77,888	67,577	(10,132)				67,577			3,060	1,840	05/01/2027	
91282BRG7	U.S. TREASURY NOTE	XXX	08/14/2012	VARIOUS	XXX	5,118,557	5,125,000.00	5,101,179	5,103,204	3,775				5,106,979			11,578	9,937	09/15/2014	
91282BRN2	U.S. TREASURY NOTE	XXX	01/30/2012	VARIOUS	XXX	900,806	900,000.00	900,108	900,100	(5)				900,096			710	575	10/31/2013	
91282BRQ5	U.S. TREASURY NOTE	XXX	08/20/2012	VARIOUS	XXX	2,582,773	2,580,000.00	2,577,083	2,577,187	253				2,577,440			5,333	4,398	11/15/2014	
91282BRV4	U.S. TREASURY NOTE	XXX	08/15/2012	VARIOUS	XXX	1,994,593	2,000,000.00	1,993,835	1,993,908	319				1,994,227			366	1,023	12/15/2014	
91282BRZ5	U.S. TREASURY NOTE	XXX	12/28/2012	Jefferies & Co	XXX	2,196,361	2,198,000.00	2,196,977	2,196,989	12				2,196,989			(628)	2,464	01/15/2015	
91282ZL21	U.S. TREASURY NOTES	XXX	08/14/2012	VARIOUS	XXX	2,093,849	2,000,000.00	2,110,475	2,099,197	(10,995)				2,088,202			5,647	17,621	11/30/2014	
91282BRB8	U.S. TREASURY NOTES	XXX	03/21/2012	Goldman Sachs NY	XXX	675,604	678,562	678,161	678,161	(262)				677,899			(2,294)	2,031	08/15/2013	
91282BR51	U.S. TREASURY NT	XXX	02/03/2012	Goldman Sachs NY	XXX	3,651,841	3,650,000.00	3,650,225	3,650,227	(11)				3,650,216			1,625	1,695	11/30/2013	
91282BRL6	U.S. TREASURY NOTE	XXX	02/07/2012	Goldman Sachs NY	XXX	1,155,701	1,150,000.00	1,153,795	1,153,602	(130)				1,153,472			2,229	1,822	10/15/2014	
91282BRP1	UNITED STATES TREASURY NOTE	XXX	1/23/2012	VARIOUS	XXX	3,604,834	3,470,000.00	3,605,965	29,100,921	(6,674)	49,430			3,599,291			5,543	12,426	07/31/2015	
0599999	Subtotal - Bonds - U.S. Governments					34,966,895	34,596,608.81	34,990,886	29,100,921	(49,722)	49,430			34,882,600			84,297	207,325	X X X	
Bonds - U.S. Special Revenue, Special Assessment																				
31331JH55	FEDERAL FARM CR BK CONS BD	XXX	09/21/2012	CALLED @ 100.00000000	XXX	4,000,000	4,000,000.00	4,033,000	4,011,921	(11,921)				4,000,000				75,000	09/21/2015	
31337J3R4	FEDERAL HOME LN BK CONS BD	XXX	08/02/2012	Morgan Stanley	XXX	2,346,529	2,300,000.00	2,344,666	2,341,633	(3,033)				2,341,633			4,896	5,710	05/28/2014	
313374Y61	FEDERAL HOME LN BK CONS BD	XXX	04/03/2012	Bank of America	XXX	1,683,375	1,680,000.00	1,685,316	1,684,547	(694)				1,683,853			(477)	5,040	02/25/2013	
3137EACR8	FEDERAL HOME LN MTG CORP	XXX	08/31/2012	Bank of America	XXX	1,799,062	1,770,000.00	1,810,974	1,805,779	(11,060)				1,794,719			4,342	24,946	02/25/2014	
3135G0AP8	FEDERAL NATL MTG ASSN	XXX	08/30/2012	VARIOUS	XXX	1,338,964	1,320,000.00	1,342,928	1,339,321	(5,920)				1,333,400			5,564	16,672	02/27/2014	
3136FM5E0	FEDERAL NATL MTG ASSN	XXX	08/10/2012	CALLED @ 100.00000000	XXX	1,900,000	1,900,000.00	1,901,900	1,900,579	(579)				1,900,000				38,000	08/10/2015	
3136FM7A6	FEDERAL NATL MTG ASSN	XXX	08/19/2012	CALLED @ 100.00000000	XXX	4,000,000	4,000,000.00	4,141,840	4,043,412	(43,412)				4,000,000				120,000	08/13/2015	
3128S5L52	FHLMC POOL #1Q-1225	XXX	12/01/2012	PRINCIPAL RECEIPT	XXX	3,000,000	3,000,000.00	3,031,875	3,013,355	(13,355)				3,000,000				60,000	05/28/2015	
3128SSP00	FHLMC POOL #1Q-1426	XXX	12/01/2012	PRINCIPAL RECEIPT	XXX	96,544	96,543.63	103,483	96,544	(6,939)				96,544				146	11/01/2037	
3134ZASL9	FHLMC POOL #R-0851	XXX	12/01/2012	PRINCIPAL RECEIPT	XXX	72,918	72,918.41	75,288	72,918	(2,261)				72,918				900	09/01/2033	
3128CJT82	FHLMC POOL #G3-0546	XXX	09/07/2012	VARIOUS	XXX	1,134,435	1,039,688.19	1,154,541	1,151,364	(23,725)				1,127,639			6,796	44,185	03/01/2026	
3128PVB58	FHLMC POOL #11-5449	XXX	09/07/2012	VARIOUS	XXX	1,813,451	1,724,547.82	1,794,877	1,792,961	(18,039)				1,774,921			38,530	47,841	05/01/2026	
31394YR63	FHLMC MULTICLASS CTF5 2802 VE	XXX	12/17/2012	PRINCIPAL RECEIPT	XXX	52,811	52,811.35	56,129	54,894	(2,082)				52,811			(934)	1,567	04/15/2015	
31395LX82	FHLMC MULTICLASS CTF5 2916 YG	XXX	08/15/2012	VARIOUS	XXX	1,030,164	1,029,213.08	1,043,747	1,047,976	(16,878)	4,113			1,031,097				23,104	07/15/2030	
31393NK24	FHLMC MULTICLASS MTG	XXX	12/17/2012	PRINCIPAL RECEIPT	XXX	316,498	316,498.25	340,631	340,631	(24,133)				316,498				2,935	03/15/2018	
31393RRD4	FHLMC MULTICLASS MTG	XXX	12/17/2012	PRINCIPAL RECEIPT	XXX	166,027	166,027.02	174,484	172,551	(6,524)				166,027				3,914	01/15/2018	
31393JPM4	FHLMC MULTICLASS MTG 2557 WD	XXX	08/15/2012	VARIOUS	XXX	174,522	174,522.06	182,376	178,211	(3,515)				174,686			(174)	3,084	08/15/2016	
31394NAB4	FHLMC MULTICLASS MTG 2723 EA	XXX	08/15/2012	VARIOUS	XXX	197,412	197,399.92	199,815	200,503	(2,439)				197,638				4,210	08/15/2018	
31397CVB9	FHLMC MULTICLASS MTG 3253 A	XXX	12/17/2012	PRINCIPAL RECEIPT	XXX	147,241	147,240.55	153,383	153,383	(5,451)				147,241				3,716	08/15/2020	
3137ACT14	FHLMC MULTICLASS MTG 3902 MA	XXX	12/17/2012	PRINCIPAL RECEIPT	XXX	152,720	152,720.47	164,127	164,127	(11,406)				152,720				1,605	07/15/2039	
3134ZAZE2	FHLMC POOL #R-0741	XXX	12/01/2012	PRINCIPAL RECEIPT	XXX	105,705	105,704.55	109,057	108,991	(3,186)				105,705				1,289	07/01/2033	
31395LAD3	FHLMC REMIC SERIES 2924	XXX	12/17/2012	PRINCIPAL RECEIPT	XXX	161,872	161,871.66	169,459	168,437	(6,965)				161,872				3,709	02/15/2019	
31402Q5E8	FNMA POOL #0725445	XXX	09/05/2012	VARIOUS	XXX	468,868	434,623.90	468,868	454,840	(6,060)				1,178,236			12,779	13,325	05/01/2019	
31402Q6K2	FNMA POOL #0735374	XXX	09/17/2012	VARIOUS	XXX	1,195,314	1,124,446.59	1,203,861	1,201,366	(23,129)				1,178,236			17,077	34,552	04/01/2020	
31403CVJ7	FNMA POOL #0745017	XXX	09/05/2012	VARIOUS	XXX	847,653	798,460.39	843,000	836,684	(11,259)				825,425			22,228	24,490	07/01/2020	
31403DHF9	FNMA POOL #0745530	XXX	12/01/2012	PRINCIPAL RECEIPT	XXX	14,143	14,143.42	16,053	14,143	(1,909)				14,143				84	04/01/2016	
31404F5U1	FNMA POOL #0774959	XXX	09/10/2012	VARIOUS	XXX	718,038	674,587.11	712,216	705,930	(8,523)				697,408			20,630	20,997	04/01/2019	

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks Sold, ReDeemed, or Otherwise Disposed of During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value			16	17	18	19	20	21
										11	12	13							14	15
CUSIP	Description	Forfeiture	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 (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (Cols. 11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Contractual Maturity Date
31404WTV8	FNMA POOL #0780964		09/05/2012	VARIOUS	XXX	489,483	460,861.12	486,569	482,323	(6,380)	(6,380)		(6,380)		13,540	13,540	13,978	05/01/2019
31410K6V9	FNMA POOL #0890185		09/05/2012	VARIOUS	XXX	529,450	496,654.29	525,988	522,382	(7,463)	(7,463)		(7,463)		14,532	14,532	16,715	10/01/2021
31410K6V5	FNMA POOL #0890187		09/05/2012	VARIOUS	XXX	414,705	388,946.39	412,891	409,637	(6,101)	(6,101)		(6,101)		11,170	11,170	13,180	12/01/2020
31416B4M7	FNMA POOL #0995528		09/05/2012	VARIOUS	XXX	223,633	210,863.19	219,067	218,490	(2,402)	(2,402)		(2,402)		7,544	7,544	6,908	12/01/2021
31416B4P0	FNMA POOL #0995530		09/05/2012	VARIOUS	XXX	221,608	208,054.21	216,962	216,471	(2,388)	(2,388)		(2,388)		7,525	7,525	7,642	12/01/2021
31418M4X7	FNMA POOL #0AD0837		09/05/2012	VARIOUS	XXX	812,142	764,960.48	807,452	803,015	(10,693)	(10,693)		(10,693)		19,819	19,819	23,355	03/01/2023
3138E4H16	FNMA POOL #0AL1733		12/01/2012	PRINCIPAL RECEIPT	XXX	331,578	331,577.51	333,130		(21,953)	(21,953)		(21,953)				1,470	01/01/2037
3138EJPA0	FNMA POOL #0AL2216		12/01/2012	PRINCIPAL RECEIPT	XXX	170,170	170,169.72	182,294		(12,125)	(12,125)		(12,125)				551	09/01/2039
31394AW69	FNMA GTD REMIC PT		12/01/2012	PRINCIPAL RECEIPT	XXX	321,149	321,148.98	324,762		(3,613)	(3,613)		(3,613)				743	11/25/2030
31394CPN6	FNMA GTD REMIC PT 05-10 AJ		08/14/2012	VARIOUS	XXX	67,721	67,720.67	68,426	68,597	(728)	138		(866)		(10)	(10)	1,303	01/25/2023
31397LVK2	FNMA GTD REMIC PT 08-51 BC		12/01/2012	PRINCIPAL RECEIPT	XXX	148,058	148,058.27	156,896	154,790	(6,731)			(6,731)				5,565	06/25/2023
31397N3Q6	FNMA GTD REMIC PT 09-43 GJ		09/12/2012	VARIOUS	XXX	474,977	455,381.44	474,166	463,441	(4,876)			(4,876)		16,412	16,412	12,583	06/25/2024
31396QZM2	FNMA GTD REMIC PT 09-70 NT		12/01/2012	PRINCIPAL RECEIPT	XXX	177,852	177,852.37	184,877	182,458	(4,605)			(4,605)				3,431	08/25/2019
31397LJX2	FNMA GTD REMIC PT 2011-61 MG		12/01/2012	PRINCIPAL RECEIPT	XXX	40,754	40,753.69	43,033		(2,280)			(2,280)				42	07/25/2026
31416BRE0	FNMA POOL #0995185		09/05/2012	VARIOUS	XXX	455,189	428,107.33	447,891	445,628	(5,276)			(5,276)		14,836	14,836	14,319	12/01/2023
83162CPC2	SBA GTD PARTN CTF5 2005-20F 1		12/03/2012	PRINCIPAL RECEIPT	XXX	362,005	362,004.95	403,409		(41,404)			(41,404)				8,523	06/01/2025
784422AA5	SLC STUDENT LN 07 2 CL A-1		08/15/2012	VARIOUS	XXX	60,182	60,182.01	58,377	59,901	276			276		5	5	249	05/15/2018
83149EAC1	SLM STUDENT LN 06 5 CL A3		07/25/2012	VARIOUS	XXX	125,896	125,895.75	121,548	125,266	542			542		88	88	282	10/25/2019
784424HP4	SLM STUDENT LN TR 03-8 CL A-4		08/15/2012	VARIOUS	XXX	108,085	108,315.48	104,321	104,828	866			866		2,402	2,402	485	03/15/2019
78444YAC9	SLM STUDENT LOAN TRUST 5 A3		08/15/2012	Alex Brown & Sons	XXX	306,961	300,000.00	305,813	305,217	(1,015)			(1,015)		2,759	2,759	4,403	01/25/2018
78442G0P4	SLM STUDENT LOAN TRUST 8 A3		08/15/2012	Bank of America	XXX	1,294,973	1,300,000.00	1,276,438	1,278,542	2,391			2,391		14,040	14,040	6,315	10/25/2024
78442GMK9	SLMA 2004-7 A5		08/14/2012	VARIOUS	XXX	1,053,863	1,054,538.52	1,046,247	1,047,189	1,292			1,292		6,233	6,233	5,274	01/27/2020
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment					37,275,955	36,594,579.14	37,638,363	32,990,641	(422,110)			(422,110)		261,927	261,927	728,424	X X X
00182EAN9	ANZ NATIONAL INTERNATIONAL 144A		06/13/2012	SBC Capital Mkts	XXX	653,715	650,000.00	650,000	650,000						3,715	3,715	4,857	12/20/2013
06738GUZ1	BARCLAYS BANK PLC		08/20/2012	Bank of America	XXX	1,005,160	1,000,000.00	1,029,760	1,021,856	(18,250)			(18,250)		1,554	1,554	48,596	09/12/2012
05541VAC0	BGENERGY CAPITAL PLC		08/23/2012	Stifel Nicolaus	XXX	155,963	150,000.00	149,141	149,316	107			107		6,539	6,539	2,688	12/09/2015
961274B J1	WESTPAC BANKING CORP		11/19/2012	MATURITY	XXX	1,000,000	1,000,000.00	1,000,000	1,010,648	(10,648)			(10,648)		48,690	48,690	22,500	11/19/2012
020010AAD6	AEP TEXAS CENTRAL TRANS FD		09/05/2012	Chase Greenwich	XXX	352,699	307,172	307,172	304,736	(2,726)			(2,726)				18,354	01/01/2020
02005WAB6	ALLY AUTO RECEIVABLES TR 5 A2		12/17/2012	PRINCIPAL RECEIPT	XXX	446,431	446,430.89	446,427	446,427	3			3				2,743	06/16/2014
02005VAC6	ALLY AUTO RECEIVABLES TRU 2 A3		08/29/2012	Montgomery Secs	XXX	1,356,539	1,350,000.00	1,349,997	1,349,998	1			1		6,540	6,540	11,328	04/15/2015
02005WAE2	ALLY AUTO RECEIVABLES TRU 3 A4		09/11/2012	Nomura Secs NY	XXX	1,003,342	990,000.00	989,646	989,799	65			65		13,478	13,478	11,466	08/17/2015
03065AAC8	AMCAR 2009-1 A3		08/15/2012	VARIOUS	XXX	98,588	98,588.65	99,821	99,130	(426)			(426)		(116)	(116)	985	10/15/2013
03076CAB2	AMERIPRISE FINANCIAL INC		08/17/2012	First Union Cap Mkts	XXX	273,209	240,000.00	271,740	271,395	(5,135)			(5,135)		6,949	6,949	10,735	11/15/2013
02026RAF9	AT & T INC GLOBAL NT		02/08/2012	BNP Paribas Securities	XXX	312,270	300,000.00	323,505	311,655	(1,146)			(1,146)		1,761	1,761	8,580	01/15/2013
02026RAP7	AT & T INC GLOBAL NT		06/06/2012	First Union Cap Mkts	XXX	1,408,355	1,300,000.00	1,459,055	1,430,440	(29,731)			(29,731)		7,646	7,646	49,841	11/15/2013
05947JUN3	BANC OF AMERICA COMMERCIA 5 A3		05/15/2012	Memill Lynch	XXX	107,864	100,000.00	101,864	100,840	(141)			(141)		6,342	6,342	3,678	02/15/2014
06051GED7	BANK OF AMERICA CORP		03/12/2012	VARIOUS	XXX	13,481	13,480.81	13,670	13,476	(2)			(2)		(184)	(184)	153	11/10/2014
06406BE8	BANK OF NEW YORK MELLON TERM		04/01/2012	Montgomery Secs	XXX	4,242,000	4,200,000.00	4,281,984	4,262,793	(4,053)			(4,053)		(16,740)	(16,740)	91,082	09/01/2015
071813AZ2	BAXTER INTL INC SR NT		03/01/2012	Bank of America	XXX	205,888	200,000.00	200,946	200,231	(45)			(45)		5,702	5,702	3,438	11/01/2012
05531FAH6	BB&T CORPORATION		08/23/2012	U S Bancorp	XXX	210,366	200,000.00	202,533	201,161	(337)			(337)		9,542	9,542	7,933	03/01/2014
07383FXN3	BEAR STEARNS COMMERCIAL T12 A4		12/13/2012	Memill Lynch	XXX	1,506,270	1,475,000.00	1,474,322	1,474,472	144			144		31,654	31,654	25,198	04/28/2014
084670A57	BERKSHIRE HATHAWAY		12/13/2012	PRINCIPAL RECEIPT	XXX	80,415	80,414.73	82,752		(2,337)			(2,337)				707	08/13/2039
14041NCL3	CAPITAL ONE MULTI-ASSET A10 A		05/15/2012	MATURITY	XXX	1,000,000	1,000,000.00	1,014,040	1,001,276	(1,276)			(1,276)		5,848	5,848	1,098	09/15/2015
141781AR5	CARGILL INC NT 144A		05/07/2012	First Boston Corp	XXX	800,297	800,000.00	789,000	793,648	800			800		6,023	6,023	18,375	06/01/2013
14312WAD5	CARMAX AUTO OWNER 09-1 CL A-3		02/15/2012	VARIOUS	XXX	34,190	34,190.35	34,787	34,785	(433)			(433)		(162)	(162)	150	03/15/2013
14313GAB3	CARMAX AUTO OWNER TRUST 1 A2		12/17/2012	PRINCIPAL RECEIPT	XXX	227,611	227,610.93	227,995		16			16				921	03/16/2015
14312AAB7	CARMAX AUTO OWNER TRUST 3 A2		12/17/2012	PRINCIPAL RECEIPT	XXX	378,010	378,010.33	377,981	377,984	26			26				1,934	11/17/2014
808513AC9	CITIBANK SCHWAB CORP		08/24/2012	Memill Lynch	XXX	1,159,863	1,078,000.00	1,190,749	1,162,677	(22,345)			(22,345)		19,531	19,531	39,724	06/01/2014
17308BAH1	CITIBANK OMNI MASTER TRU A8 A8		01/12/2012	Morgan Stanley	XXX	704,211	700,000.00	708,750	701,413	(211)			(211)		3,010	3,010	1,341	05/15/2016
17296YEZ0	CITIGROUP INC		02/16/2012	Nomura Secs NY	XXX	856,152	800,000.00	848,208	845,363	(1,946)			(1,946)		12,715	12,715	15,522	10/15/2014
12513YAC4	CITIGROUP/DEUTSCHE BAN CD4 A2B		09/28/2012	PRINCIPAL RECEIPT	XXX	105,510	105,510.06	107,389		(1,879)			(1,879)		1,041	1,041	533	12/11/2049
209111EA7	CONSOLIDATED EDISON CO OF NEW		09/28/2012	Donaldson Lufkin	XXX	406,236	400,000.00	431,864	416,131	(10,936)			(10,936)		17,055	17,055	22,533	02/01/2013
216871AF0	COOPER US INC		08/23/2012	Southwest Secs	XXX	566,374	550,000.00	548,994	549,196	123			123				16,628	06/15/2039
22544QAB5	CREDIT SUISSE MORTGAGE C C3 A2		10/17/2012	VARIOUS	XXX	671,730	671,730.32	688,733	687,820	(14,964)			(14,964)					

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks Sold, ReDeemed, or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value				16	17	18	19	20	21	
										11	12	13	14							15
Identification	Description	FO	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 (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (Cols. 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	Contractual Maturity Date
24702RAK7	DELL INC		08/13/2012	Mcdonald	XXX	1,715,300	1,700,000.00	1,712,240	1,717,585	(6,367)	172		(6,539)		1,711,046	4,254	4,254	4,254	22,213	09/10/2013
25084ZEE6	DETROIT EDISON CO SR NT SER J		09/25/2012	Donaldson Lufkin	XXX	422,012	400,000.00	456,628	435,423	(14,752)			(14,752)		420,671	1,341	1,341	1,341	25,387	10/01/2013
294399EF9	DUKE ENERGY CORP SR NT		11/30/2012	MATURITY	XXX	600,000	600,000.00	651,460	620,670	(20,670)			(20,670)		600,000	4,800	4,800	4,800	33,790	11/30/2012
26442EAB6	DUKE ENERGY OHIO INC		08/28/2012	U S Bancorp	XXX	379,785	375,000.00	374,936	374,973	12			12		374,985				5,600	06/15/2013
278028DF6	EATON CORP NT		04/10/2012	Donaldson Lufkin	XXX	78,413	75,000.00	78,646	78,646	(725)			(725)		77,921	492	492	492	1,511	05/15/2013
345298QAH7	FORD CREDIT FLOORPLAN MAST 2 A		09/17/2012	JPMorgan Securities Inc.	XXX	730,000	730,000.00	740,522	735,504	(3,212)			(3,212)		734,721	(4,721)	(4,721)	(4,721)	10,118	09/15/2014
34529EAC4	FORDO 2009-B A3		06/01/2012	VARIOUS	XXX	180,168	180,167.63	181,434	181,559	(706)			(706)		180,882	(685)	(685)	(685)	1,412	08/15/2013
34529GAF2	FORDO 2009-D A3		09/17/2012	VARIOUS	XXX	587,219	587,218.79	591,072	591,202	(3,117)			(3,117)		588,085	(866)	(866)	(866)	5,023	10/15/2013
354613AE1	FRANKLIN RESOURCES INC		08/23/2012	Stifel Nicolaus	XXX	778,900	780,000.00	779,353	779,353	298			298		779,651	9,248	9,248	9,248	12,047	05/20/2013
36159JBM2	GEMNT 2009-2 A		07/16/2012	Nomura Sees NY	XXX	410,000	410,000.00	418,985	418,225	(2,079)			(2,079)		416,146	(6,146)	(6,146)	(6,146)	8,825	07/15/2015
36959QAK4	GENERAL DYNAMICS CORP		05/22/2012	Wells Fargo Sees	XXX	642,630	620,000.00	657,987	650,015	(8,540)			(8,540)		641,476	1,154	1,154	1,154	13,907	05/15/2013
36962G5M2	GENERAL ELEC CAP CORP		05/07/2012	Goldman Sachs NY	XXX	509,805	500,000.00	499,480		57			57		499,537	10,268	10,268	10,268	3,613	01/09/2015
361849YU0	GMAC COMMERCIAL MORTGAGE C2 A2		08/15/2012	Salomon Brothers	XXX	772,016	745,000.00	774,726	785,439	(6,001)	11,348		(11,670)		773,768	(1,762)	(1,762)	(1,762)	29,763	05/10/2040
38141EA33	GOLDMAN SACHS GROUP INC/THE		08/20/2012	Donaldson Lufkin	XXX	586,916	550,000.00	586,509	584,691	(9,201)			(9,201)		575,490	11,426	11,426	11,426	26,767	05/01/2014
43812UAD3	HAROT 2009-2 A4		02/08/2012	Chemical Securities	XXX	662,213	650,000.00	694,891	654,464	(846)			(846)		653,619	8,594	8,594	8,594	4,319	01/15/2013
43813TAB9	HONDA AUTO RECEIVABLES OW 1 A2		08/15/2012	VARIOUS	XXX	781,599	782,149	782,149	781,944	(345)			(345)		781,599	1,841	1,841	1,841	1,841	06/17/2013
43813BAC6	HONDA AUTO RECEIVABLES OW 3 A3		04/23/2012	VARIOUS	XXX	1,331,428	1,330,000.00	1,329,926	1,329,883	115			115		1,329,998	1,430	1,430	1,430	3,132	04/21/2014
44918AAB2	HYUNDAI AUTO RECEIVABLES C A2		12/17/2012	PRINCIPAL RECEIPT	XXX	605,545	605,544.88	605,504	605,509	36			36		605,545				2,729	07/15/2014
46428Z726	ISHARES BARCLAYS AGGREGATE		12/07/2012	CAPITAL GAIN	XXX	35,553	165,100.77	165,099		2			2		165,101	35,553	35,553	35,553		06/16/2014
47787BAB1	JOHN DEERE OWNER TRUST A 2		12/17/2012	PRINCIPAL RECEIPT	XXX	165,101	165,100.77	165,099		2			2		165,101				741	06/16/2014
46625XP3	JP MORGAN CHASE COMM LDP5 A4		08/14/2012	Morgan Stanley	XXX	1,010,074	900,000.00	968,904	956,464	(5,523)			(5,523)		950,941	59,134	59,134	59,134	33,521	12/15/2044
46625MTX7	JP MORGAN CHASE COMMERCIAL C1 A2		08/15/2012	VARIOUS	XXX	635,374	630,000.00	637,980	646,808	(1,246)	20,521		(1,246)		637,390	(2,017)	(2,017)	(2,017)	22,135	01/12/2037
46625HCE8	JP MORGAN CHASE & CO		08/21/2012	Goldman Sachs NY	XXX	541,890	500,000.00	544,625	547,850	(7,833)			(7,833)		536,792	5,098	5,098	5,098	23,288	03/01/2015
57629WBH2	JPMORGAN CHASE & CO		06/28/2012	National Fin Svcs Corp	XXX	920,701	875,000.00	911,018	901,309	(5,233)			(5,233)		896,076	24,625	24,625	24,625	23,960	06/01/2014
59022HCP5	MERRILL LYNCH MORTGAGE KEY1 A3		01/12/2012	First Boston Corp	XXX	1,268,825	1,250,000.00	1,288,372	1,264,628	(825)			(825)		1,263,803	5,022	5,022	5,022	22,405	07/16/2012
59196RAW8	MET LIFE INC		08/15/2012	VARIOUS	XXX	214,549	214,095.16	218,611	220,238	(3,216)	1,594		(3,216)		215,428	(878)	(878)	(878)	7,967	11/12/2035
61166WAA9	METROPOLITAN LIFE GLOBAL 144A		08/21/2012	Stifel Nicolaus	XXX	2,014,266	1,970,000.00	2,006,462	2,004,358	(10,363)			(10,363)		1,993,995	15,627	15,627	15,627	49,127	02/06/2014
617451AF6	MONSANTO CO NEW SR NT		05/01/2012	Chemical Securities	XXX	1,577,373	1,515,000.00	1,595,196	1,579,665	(16,788)			(16,788)		1,562,877	14,496	14,496	14,496	43,998	04/10/2013
61745W145	MORGAN STANLEY CAPITAL IQ10 A4A		08/14/2012	Morgan Stanley	XXX	750,000	750,000.00	854,790	777,407	(27,407)			(27,407)		750,000				55,313	08/15/2012
61746WD49	MORGAN STANLEY CAPITAL HQ4 A7		09/10/2012	Alex Brown & Sons	XXX	1,107,422	1,000,000.00	1,077,020	1,073,180	(2,799)			(2,799)		1,070,381	37,041	37,041	37,041	36,901	09/15/2042
61980AA1	MOTIVA ENTERPRISES SR NT 144A		12/12/2012	MATURITY	XXX	500,000	500,000.00	712,775	742,162	(1,399)	19,209		(1,399)		511,685	8,021	8,021	8,021	19,077	04/14/2040
64953BAP3	NEW YORK LIFE GLOBAL FDG 144A		01/09/2012	Bank of America	XXX	403,549	385,000.00	411,973	396,992	(193)			(193)		386,799	6,750	6,750	6,750	3,133	05/09/2013
65475UAB8	NISSAN AUTO RECEIVABLES O A A2		12/17/2012	PRINCIPAL RECEIPT	XXX	100,582	100,581.71	100,572	330,300	9			9		100,582				423	10/15/2014
65475QAB7	NISSAN AUTO RECEIVABLES O B A2		12/17/2012	PRINCIPAL RECEIPT	XXX	330,330	330,329.55	330,296	330,300	29			29		330,330				1,986	09/15/2014
665859AJ3	NORTHERN TRUST CORP		09/14/2012	First Union Cap Mkts	XXX	1,046,200	1,000,000.00	1,122,950	1,067,152	(28,916)			(28,916)		1,038,236	7,964	7,964	7,964	60,194	08/15/2013
665859AK0	NUCOR CORP NT		09/14/2012	Mcdonald	XXX	53,267	50,000.00	50,207	50,102	(30)			(30)		50,072	3,195	3,195	3,195	2,043	05/01/2014
670346AJ4	OCIDENTAL PETROLEUM CORP		09/18/2012	Donaldson Lufkin	XXX	515,965	500,000.00	541,585	524,080	(12,063)			(12,063)		512,017	3,948	3,948	3,948	20,139	06/01/2013
674559CA1	PACCAR FINANCIAL CORP		09/18/2012	Mcdonald	XXX	1,315,665	1,300,000.00	1,319,409	1,315,691	(5,892)			(5,892)		1,309,799	5,866	5,866	5,866	14,871	12/13/2013
69371R08	PACCAR INC MEDIUM TERM NTS		08/23/2012	Merrill Lynch	XXX	202,444	200,000.00	203,360	201,969	(957)			(957)		201,012	1,432	1,432	1,432	3,121	06/17/2013
69373UA5	PNC FUNDING CORP		08/23/2012	Bank of America	XXX	615,760	565,000.00	645,351	616,518	(15,386)			(15,386)		601,132	14,628	14,628	14,628	40,246	02/15/2014
69475UAB8	PRINCIPAL LIFE GLOBAL MTN 144A		08/23/2012	Bank of America	XXX	400,000	400,000.00	429,460	405,609	(5,609)			(5,609)		400,000	29,504	29,504	29,504	14,619	09/19/2016
74005PAJ3	PRAXAIR INC NT		04/01/2012	MATURITY	XXX	625,000	625,000.00	637,067.51	636,240	243			243		625,088				29,385	01/15/2012
743315A99	PROGRESSIVE CORP/THE		01/15/2012	MATURITY	XXX	1,500,000	1,500,000.00	1,581,435	1,503,230	(3,230)			(3,230)		1,500,000	1,100	1,100	1,100	12,750	04/01/2012
75511TBV2	RATHEON COMPANY		12/28/2012	CALLED @ 101:85500000	XXX	483,811	475,000.00	474,425	474,442	185			185		474,628	9,185	9,185	9,185	7,066	12/15/2014
80705TAA4	SCHOLAR FUNDING TRUST 2011-A A		08/14/2012	VARIOUS	XXX	625,002	637,067.51	636,240	636,240	243			243		625,088	(86)	(86)	(86)	6,844	04/28/2036
88166BAB6	TEVA PHARMA FIN III LLC		02/07/2012	Merrill Lynch	XXX	953,059	950,000.00	949,069	949,785	47			47		949,832	3,227	3,227	3,227	2,098	06/15/2012
8724EAC6	TAA GLOBAL MARKETS		10/10/2012	MATURITY	XXX	500,000	500,000.00	512,238	502,972	(2,972)			(2,972)		500,000	8,681	8,681	8,681	25,625	10/10/2012
91159HGR5	US BANCORP		05/07/2012	U S Bancorp	XXX	133,671	125,000.00	124,978	124,989	9			9		124,990	6,681	6,681	6,681	5,582	05/15/2014
91159HGY0	US BANCORP		05/04/2012	Salomon Brothers	XXX	674,129	675,000.00	674,129	674,504	2			2		674,603	7,377	7,377	7,377	6,084	09/13/2013
91159HGZ7	US BANCORP		09/10/2012	Salomon Brothers	XXX	503,765	500,000.00	498,452	495,758	783										

SCHEDULE D - PART 4 Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (Cols. 11+12-13)							15 Total Foreign Exchange Change in B./A.C.V.
959802AB5	WESTERN UNION CO/THE		08/24/2012	Bear Stearns	X X X	410,900	350,000.00	394,727	394,270	(5,666)			388,604	22,296	22,296	18,910	10/01/2016		
959802AN9	WESTERN UNION CO/THE		06/13/2012	Dain Rauscher	X X X	1,004,417	1,000,000.00	1,000,000	1,000,000			1,000,000	4,413	4,413	5,714	03/07/2013			
98198KAC3	WORLD OMNI AUTO RECEIVABL A A3		12/17/2012	PRINCIPAL RECEIPT	X X X	208,413	208,413.30	209,586	209,509	(1,096)		208,413			2,089	05/15/2015			
98158NAB9	WORLD OMNI AUTOMOBILE LE A A2		12/17/2012	PRINCIPAL RECEIPT	X X X	604,633	604,633.48	605,271	605,169	(636)		604,633			2,774	10/15/2013			
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					63,068,447	61,586,569.12	63,661,152	60,986,163	(452,620)	64,238	(496,210)	62,491,688	576,752	576,752	1,531,312	X X X		
8399997	Subtotal - Bonds - Part 4					135,311,297	132,777,757.07	136,290,401	123,077,725	(917,849)	120,271	(1,017,472)	134,388,312	922,976	922,976	2,467,061	X X X		
8399998	Summary Item from Part 5 for Bonds					49,233,859	47,485,919.27	49,264,827	123,077,725	(211,670)	120,271	(211,670)	49,053,153	180,702	180,702	529,400	X X X		
8399999	Subtotal - Bonds					184,545,156	180,263,676.34	185,555,228	123,077,725	(1,129,519)	120,271	(1,229,142)	183,441,465	1,103,678	1,103,678	2,996,461	X X X		
8999998	Summary Item from Part 5 for Preferred Stocks						X X X										X X X		
9799998	Summary Item from Part 5 for Common Stocks						X X X										X X X		
9899999	Subtotal - Preferred and Common Stocks						X X X										X X X		
9999999	Totals					184,545,156	X X X	185,555,228	123,077,725	(1,129,519)	120,271	(1,229,142)	183,441,465	1,103,678	1,103,678	2,996,461	X X X		

SCHEDULE D - PART 5

Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1 CUSIP Identifi- cation	2 Description	3 F O R E I G N	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) Number of Shares (Stock)	9 Actual Cost	10 Consi- der- ation	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value				17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B/A C.V. (Col. 12+ 13-14)						16 Total Foreign Exchange Change in B/A C.V.
Bonds - U.S. Governments																			
912828KF6	U S TREASURY NOTE		02/14/2012	RBS SECURITIES INC. GREEN	05/04/2012	Goldman Sachs NY	1,950,000,000	2,012,010	2,008,947	2,007,705	(4,305)				1,241	1,241	22,036	16,875	
912828MH0	U S TREASURY NOTE		04/03/2012	Nomura Secs NY	08/15/2012	Morgan Stanley	1,930,000,000	2,022,360	2,019,558	2,010,424	(1,936)				9,133	9,133	23,601	7,635	
912828NL0	U S TREASURY NOTE		03/09/2012	Goldman Sachs NY	08/29/2012	First Boston Corp	1,600,000,000	1,670,943	1,669,485	1,661,068	(9,874)				8,416	8,416	19,695	5,934	
912828PS3	U S TREASURY NOTE		10/31/2012	VARIOUS	12/04/2012	VARIOUS	4,331,000,000	4,554,844	4,556,868	4,544,498	(10,346)				12,370	12,370	35,462	21,037	
912828RV4	U S TREASURY NOTE		06/28/2012	Goldman Sachs NY	08/15/2012	Chase Greenwich	1,500,000,000	1,495,962	1,497,417	1,496,176	214				1,241	1,241	635	184	
912828S87	U S TREASURY NOTE		03/01/2012	Morgan Stanley	04/03/2012	VARIOUS	1,360,000,000	1,357,730	1,357,652	1,358,782	53				(1,130)	(1,130)	562	290	
912828SZ4	U S TREASURY NOTE		06/14/2012	Jefferies & Co	08/31/2012	Chase Greenwich	1,355,000,000	1,353,893	1,358,065	1,353,971	78				4,094	4,094	1,125	1,125	
912828TP5	U S TREASURY NT		11/29/2012	Credit Suisse	12/04/2012	Chase Greenwich	2,310,000,000	2,305,225	2,306,202	2,305,249	24				954	954	1,292	1,276	
912828NP1	UNITED STATES TREASURY NOTE		05/16/2012	VARIOUS	08/30/2012	SBC Capital Mkts	3,300,000,000	3,437,421	3,434,438	3,421,605	(15,817)				12,834	12,834	33,740	11,697	
912828SE1	UNITED STATES TREASURY NOTE		06/13/2012	JPMorgan Securities Inc.	08/22/2012	VARIOUS	1,800,000,000	1,793,256	1,796,344	1,793,712	456				2,632	2,632	2,301	1,484	
059999 Subtotal - U.S. Governments							21,436,000,000	22,004,644	22,004,976	21,953,190	(51,453)				51,785	51,785	140,449	66,412	
Bonds - U.S. Special Revenue, Special Assessment																			
3128SLEZ2	FHLMC POOL #IQ-1225		08/30/2012	BNP Paribas Securities	09/01/2012	BNP Paribas Securities	3,151,616,590	3,377,154	3,377,154	3,355,492	(21,662)				21,662	21,662	4,698	4,698	
3137AOMF9	FHLMC MULTICLASS MTG 3688 CA		03/21/2012	Deutsche Bank Secs	09/17/2012	VARIOUS	891,733,320	920,436	909,296	909,890	(10,546)				(594)	(594)	14,798	2,167	
3137A3PN3	FHLMC MULTICLASS MTG 3762 GM		04/18/2012	Credit Suisse	09/17/2012	VARIOUS	1,038,369,080	1,085,096	1,063,410	1,074,726	(10,370)				(11,315)	(11,315)	15,348	2,221	
3138EGSH8	FNMA POOL #0AL0519		06/06/2012	Credit Suisse	09/07/2012	VARIOUS	875,200,280	946,310	951,938	942,243	(4,067)				9,695	9,695	9,475	1,653	
319999 Subtotal - U.S. Special Revenue, Special Assessment							5,956,919,270	6,328,996	6,301,798	6,282,351	(46,645)				19,448	19,448	44,319	10,739	
Bonds - Industrial and Miscellaneous (Unaffiliated)																			
00206RBB7	AT&T INC		02/08/2012	Credit Suisse	08/21/2012	Chemical Securities	2,000,000,000	1,998,580	2,010,220	1,998,830	250				11,390	11,390	9,285		
07387BEB5	BEAR STEARNS COMMERCIA PWF0 A4		08/15/2012	Barclays Capital	12/19/2012	Goldman Sachs NY	1,815,000,000	2,040,882	2,024,009	2,020,144	(20,738)				3,864	3,864	37,878	5,178	
111320AB3	BROADCOM CORP		01/11/2012	Keybank Capital Mkts	09/26/2012	Mcdonald	1,000,000,000	1,011,280	1,011,080	1,006,876	(4,404)				4,204	4,204	13,583	3,167	
15200VAA3	CENTERPOINT ENERGY		01/11/2012	Goldman Sachs NY	08/15/2012	Nomura Secs NY	1,140,000,000	1,139,999	1,148,862	1,139,999					8,863	8,863	5,936		
172967FH8	TRANS 1 A1		01/27/2012	Morgan Stanley	03/06/2012	Morgan Stanley	400,000,000	422,236	421,064	421,652	(584)				(588)	(588)	4,281	2,344	
172967F55	CITIGROUP INC		01/31/2012	JPMorgan Securities Inc.	03/07/2012	First Boston Corp	1,000,000,000	1,028,910	1,036,050	1,028,295	(615)				7,755	7,755	9,553	5,271	
254683AV7	DISCOVER CARD MASTER TR A3 A		06/05/2012	Barclays Cap	09/12/2012	Salomon Brothers	890,000,000	889,912	898,066	889,919	8				8,147	8,147	1,999		
36159JDB4	GE CAPITAL CREDIT CARD MAS 4 A		08/17/2012	Nomura Secs NY	09/25/2012	Bank of America	1,045,000,000	1,050,021	1,049,164	1,049,858	(163)				(694)	(694)	683	110	
36159JBM2	GENMT 2009-2 A		04/24/2012	Nomura Secs NY	07/16/2012	Nomura Secs NY	490,000,000	493,484	490,000	493,050	(434)				(3,050)	(3,050)	4,520	603	
369550AS7	GENERAL DYNAMICS CORP		05/22/2012	Keybank Capital Mkts	08/23/2012	National Fin Svcs Corp	750,000,000	761,813	762,308	760,695	(1,118)				1,613	1,613	6,388	3,724	
38141EA74	GOLDMAN SACHS GROUP INC		01/25/2012	Goldman Sachs NY	08/20/2012	U S Bancorp	650,000,000	655,447	674,115	654,609	(838)				19,506	19,506	25,520	11,958	
40429CFV9	HSBC FINANCE CORP		08/23/2012	Barclays Cap	11/08/2012	Lehman Bros Inc	800,000,000	793,288	796,520	794,282	994				2,238	2,238	1,819	674	
46625YXP3	JP MORGAN CHASE COMMER LDP5 A4		10/01/2012	JPMorgan Securities Inc.	10/01/2012	Morgan Stanley	900,000,000	1,010,074	1,010,074	1,010,074							1,876	1,818	
46625HCE8	JPMORGAN CHASE & CO		02/02/2012	JPMorgan Securities Inc.	08/21/2012	Goldman Sachs NY	1,200,000,000	1,307,100	1,300,536	1,288,301	(18,799)				12,235	12,235	55,892	24,700	
46625HHR4	JPMORGAN CHASE & CO		01/25/2012	JPMorgan Securities Inc.	08/20/2012	Chemical Securities	471,000,000	489,821	496,679	486,779	(3,042)				9,900	9,900	10,632	1,601	
59156RAW8	METLIFE INC		01/31/2012	Sifel Nicolas	08/21/2012	Sifel Nicolas	650,000,000	663,065	664,606	663,840	(5,224)				765	765	16,209	7,590	
61747YCT0	MORGAN STANLEY		02/01/2012	Morgan Stanley	03/07/2012	VARIOUS	1,225,000,000	1,203,722	1,194,428	1,204,203	461				(9,775)	(9,775)	14,886	11,035	
693476BG7	PNC FUNDING CORP		01/19/2012	Keybank Capital Mkts	08/23/2012	SunTrust Capital Markets	458,000,000	500,131	500,924	493,482	(6,649)				7,442	7,442	18,221	6,651	
693476BH5	PNC FUNDING CORP		01/26/2012	Keybank Capital Mkts	08/23/2012	Sifel Nicolas	750,000,000	799,135	799,135	789,958	(9,177)				9,174	9,174	28,698	13,015	

SCHEDULE D - PART 5 Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value				17	18	19	20	21
											12	13	14	15						16
CUSIP Identification	Description	FOR EIGN	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (Col. 12+ 13-14)	Total Foreign Exchange Change in B./A.C.V.	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
74254PYF3	PRINCIPAL LIFE INCOME FUNDING		03/07/2012	Goldman Sachs NY	08/23/2012	Sifei Nicolaus	500,000.000	555,510	553,520	547,562		(7,948)		(7,948)		5,958	5,958	23,202	10,406
755111BV2	RAYTHEON COMPANY		03/01/2012	U S Bancorp	12/28/2012	101,855,000 CALLED @	600,000.000	612,402	611,130	608,756		(3,646)		(3,646)		2,374	2,374	8,913	2,100
959802AJ8	WESTERN UNION CO/THE		03/20/2012	VARIOUS	08/23/2012	Goldman Sachs NY	1,359,000.000	1,495,375	1,474,597	1,466,448		(31,926)		(31,926)		8,148	8,148	44,658	4,120
3899999	Bonds - Industrial and Miscellaneous			(Unaffiliated)			20,930,000.000	20,931,187	20,927,085	20,817,612		(113,572)		(113,572)		109,469	109,469	344,632	116,065
8399998	Bonds						47,485,919.270	49,264,827	49,233,859	49,053,153		(211,670)		(211,670)		180,702	180,702	529,400	193,216
9999999	Totals							49,264,827	49,233,859	49,053,153		(211,670)		(211,670)		180,702	180,702	529,400	193,216

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures manual)	6 Do Insurer's Assets Include Intangible Assets connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
NONE									
1999999 Total - Preferred and Common Stocks .....								... X X X ...	... X X X ...

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....0.
2. Total amount of intangible assets nonadmitted \$.....0.

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Total - Preferred and Common Stocks .....				... X X X ...	... X X X ...

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identifi- cation	2 Description	3 Codes		5 Date Acquired	6 Name of Vendor	7 Maturity Date	8 Book/ Adjusted Carrying Value	9 Unrealized Valuation Increase/ (Decrease)	10 Change in Book/Adjusted Carrying Value Current Year's (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Total Foreign Exchange Change in B./A.C.V.	13 Par Value	14 Actual Cost	15 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	Interest			21 Paid For Accrued Interest	
		16 Non-Admitted Due and Accrued	17 Rate of												18 Effective Rate of	19 When Paid	20 Amount Received During Year		
Bonds - U.S. Governments - Issuer Obligations																			
	FEDERAL NATL MTG ASSN DISC			08/28/2012	Jeffries & Co	08/01/2013	8,984,790					9,000,000	8,984,790	5,612	0.183	0.183	MAT		
	U.S. TREASURY NOTE			12/17/2012	JPMorgan Securities Inc.	10/15/2013	1,025,775		(145)			1,023,000	1,025,921	1,096	0.154	0.154	AO		899
0199999	Subtotal - Bonds - U.S. Governments - Issuer Obligations						10,010,565		(145)			10,023,000	10,010,711	6,708	X X X	X X X	X X X		899
0599999	Subtotal - Bonds - U.S. Governments						10,010,565		(145)			10,023,000	10,010,711	6,708	X X X	X X X	X X X		899
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non Guaranteed Obligations of Agencies and Their Political Subdivisions - Issuer Obligations																			
	FEDERAL FARM CR BK CONS SYSTEM			05/04/2012	Barclays Bank NY	05/03/2013	4,989,889					5,000,000	4,989,889	6,670	0.203	0.203	MAT		
	FEDERAL FARM CR BK CONS SYSTEM			07/06/2012	Jeffries & Co	07/05/2013	6,984,557					7,000,000	6,984,557	7,519	0.222	0.222	MAT		
	FEDERAL FARM CR BK CONS SYSTEM			08/30/2012	Jeffries & Co	07/29/2013	1,996,485					2,000,000	1,996,485	1,291	0.193	0.193	MAT		
	FEDERAL FARM CR BK CONS SYSTEM	@		09/28/2012	Jeffries & Co	09/26/2013	2,994,555					3,000,000	2,994,555	1,413	0.183	0.183	N/A		
	FEDERAL FARM CR BK CONS SYSTEM	@		10/12/2012	Jeffries & Co	10/11/2013	2,994,237					3,000,000	2,994,237	1,266	0.193	0.193	N/A		
	FEDERAL HOME LN BK CONS DISC			03/16/2012	Jeffries & Co	03/08/2013	2,295,210					2,300,000	2,295,210	3,877	0.213	0.213	MAT		
	FEDERAL HOME LN BK CONS DISC N			06/27/2012	Alex Brown & Sons	06/14/2013	7,284,655					7,300,000	7,284,655	8,229	0.216	0.216	MAT		
	FEDERAL HOME LN BK CONS DISC N			02/22/2012	Jeffries & Co	02/04/2013	4,591,996					4,600,000	4,591,996	7,230	0.183	0.183	MAT		
2599999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations						34,131,584					34,200,000	34,131,584	37,495	X X X	X X X	X X X		
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						34,131,584					34,200,000	34,131,584	37,495	X X X	X X X	X X X		
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																			
	LMA SA & LMA AMER DISC	@	F	10/17/2012	Chemical Securities	01/15/2013	1,098,488					1,100,000	1,098,488	1,272	0.564	0.564	N/A		
	SWEDBANK (FOR AB) DISC		F	08/28/2012	Bank of America	02/25/2013	1,196,380	(2,488)	2,488			1,200,000	1,196,380	2,440	1.229	1.229	MAT		
	CHARIOT FDG LLC DISC			08/16/2012	Chemical Securities	02/14/2013	1,996,782					2,000,000	1,996,782	2,440	0.326	0.326	MAT		
	COCA COLA CO DISC	@		09/26/2012	Montgomery Secs	01/24/2013	2,498,347					2,500,000	2,498,347	1,330	0.202	0.202	N/A		
	COCA COLA CO DISC	@		05/01/2013	Montgomery Secs	05/01/2013	1,198,466					1,200,000	1,198,466	488	0.262	0.262	N/A		
	COLLATERALIZED CP DISC	@		09/26/2012	Chemical Securities	01/28/2013	1,298,343					1,300,000	1,298,343	1,290	0.377	0.377	N/A		
	COLLATERALIZED CP DISC	@		08/06/2012	Chemical Securities	02/05/2013	1,641,070					1,645,000	1,641,070	3,182	0.482	0.482	MAT		
	CRF FDG LLC DISC	@		11/05/2012	Salomon Brothers	02/05/2013	2,497,725					2,500,000	2,497,725	1,405	0.389	0.389	N/A		
	CROWN POINT CAP DISC	@		10/24/2012	Chemical Securities	02/05/2013	2,397,669					2,400,000	2,397,669	1,450	0.389	0.389	N/A		
	DELL INC DISC	@		09/24/2012	Goldman Sachs NY	04/11/2013	1,497,830					1,500,000	1,497,830	870	0.313	0.313	N/A		
	DELL INC DISC	@		11/05/2012	Salomon Brothers	02/05/2013	1,197,496					1,200,000	1,197,496	1,207	0.375	0.375	N/A		
	GOVCO LLC DISC	@		11/05/2012	Salomon Brothers	02/05/2013	1,796,252					1,800,000	1,796,252	1,087	0.389	0.389	N/A		
	JUPITER SEC CORP DISC	@		08/21/2012	Chemical Securities	02/21/2013	1,996,627					2,000,000	1,996,627	2,435	0.338	0.338	MAT		
	METLIFE SHORT DISC	@		11/14/2012	Montgomery Secs	02/25/2013	3,697,776					3,700,000	3,697,777	1,034	0.214	0.214	N/A		
	WELLS FARGO & CO NEW SR NT	@		03/20/2012	Wells Fargo Securities LL	01/31/2013	1,293,884		(37,486)			1,290,000	1,331,370	23,672	4.375	4.375	JJ		8,309
	LIBERTY ST FDG DISC	@	A	10/11/2012	Salomon Brothers	01/09/2013	3,798,100					3,800,000	3,798,100	1,727	0.205	0.205	N/A		
3299999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						31,103,235	(2,488)	(34,998)			31,135,000	31,140,722	47,329	X X X	X X X	X X X		8,309
3699999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						31,103,235	(2,488)	(34,998)			31,135,000	31,140,722	47,329	X X X	X X X	X X X		8,309
7799999	Subtotal - Issuer Obligations						75,245,384	(2,488)	(35,143)			75,358,000	75,283,017	91,532	X X X	X X X	X X X		9,208
8399999	Total Bonds						75,245,384	(2,488)	(35,143)			75,358,000	75,283,017	91,532	X X X	X X X	X X X		9,208
8699999	Total - Parent, Subsidiaries and Affiliates											X X X			X X X	X X X	X X X		
Class One Money Market Mutual Funds																			
	BNY MELLON CASH RESERVE			09/07/2012	Non Broker Trade		2,089,466						2,089,466	3,779					102
	DREYFUS CASH MGMT			12/31/2012	Non Broker Trade														99,890
	FEDERATED TREASURY OBLIGATION			12/15/2009	Non Broker Trade														
	FIDELITY INSTITUTIONAL GOVT CL 1			05/02/2011	Non Broker Trade														
	FIRST AMERICAN PRIME OBLIGATIONS			12/31/2012	Non Broker Trade		28,551						28,551						
	JPMORGAN PRIME MONEY MARKET			12/31/2012	Non Broker Trade		91,949,323						91,949,323	1					
8999999	Subtotal - Class One Money Market Mutual Funds						94,067,340					X X X	94,067,340	3,780	X X X	X X X	X X X		99,992
9199999	Total Short-Term Investments						169,312,724	(2,488)	(35,143)			X X X	169,350,357	95,312	X X X	X X X	X X X		128,211

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Items Hedged or Used for Income Generation	Schedule/ Exhibit Identifier	Type(s) of Risk(s)	Exchange or Counterparty	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Prior Year Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Item	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (a)
1449999 GRAND TOTAL																						

(a)	NONE	Hedge Method
1		
Code		
... 0000		

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25																					
Description	Description of Hedged Item(s)	Schedule/ Exhibit Identifier	Type(s) of Risk(s)	Exchange or Counterparty	Trade Date	Date of Maturity or Expiration	Termination Date	Indicate Exercise, Expiration, Maturity or Sale	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Prior Year Initial Cost of Premiums (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Consideration Received (Paid) on Termination	Current Year Income	Book/ Adjusted Carrying Value	Code	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B/A/C.V	Current Year's (Amortization) / Accretion	Gain (Loss) on Termination Recognized	Adjustment to Carrying Value of Hedged Item	Gain (Loss) on Termination Deferred	Hedge Effectiveness at Inception and at Termination (a)																					
1449899 GRAND TOTAL																							XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

(a)	1	NONE																				
	Code																					
	0000																					

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Change in Variation Margin			20		
														15	16	17		18	19
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Hedged Item(s)	Schedule/Exhibit Identifier	Type(s) of Risk(s)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	Cumulative	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure	Hedge Effectiveness at Inception and at Year-End (a)
1449999 Grand Total																			
															XXX	.....	XXX	.....

1	2
Broker Name	Net Cash Deposits
NONE	
9999999 Total - Net Cash Deposits	

(a)	1		2
	Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period	
	... 0000		

SCHEDULE DB - PART D
Counterparty Exposure for Derivative Instruments Open December 31 of Current Year

1 Description Counterparty or Exchange Traded	2 Master Agreement (Y or N)	3 Credit Support Annex (Y or N)	4 Fair Value of Acceptable Collateral	Book/Adjusted Carrying Value			Fair Value			12 Off-Balance Sheet Exposure	
				5 Contracts With Book/ Adjusted Carrying Value > 0	6 Contracts With Book/ Adjusted Carrying Value < 0	7 Exposure net of Collateral	8 Contracts With Fair Value > 0	9 Contracts With Fair Value < 0	10 Exposure Net of Collateral		11 Potential Exposure
NONE											
0899999 Totals											

SCHEDULE DL - PART 1 SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates
NONE						
9999999 Grand Totals						X X X

General Interrogatories:

1. Total activity for the year Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
2. Average balance for the year Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

SCHEDULE DL - PART 2 SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates
NONE						
9999999 Grand Totals						X X X

General Interrogatories:

1. Total activity for the year Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
2. Average balance for the year Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0

SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
open depositories						
US Bank		150 4th Avenue North, Nashville, TN 37219			6,307,181	X X X
US Bank		150 4th Avenue North, Nashville, TN 37219			2,408,566	X X X
US Bank		150 4th Avenue North, Nashville, TN 37219			(4,891,093)	X X X
0199998 Deposits in .....114 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories			X X X ..	1,352	117,732	X X X
0199999 Totals - Open Depositories			X X X ..	1,352	3,942,386	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X ..			X X X
0299999 Totals - Suspended Depositories			X X X ..			X X X
0399999 Total Cash On Deposit			X X X ..	1,352	3,942,386	X X X
0499999 Cash in Company's Office			X X X ..	X X X ..	X X X ..	X X X
0599999 Total Cash			X X X ..	1,352	3,942,386	X X X

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	63,468,407	4. April	67,277,850	7. July	45,980,258	10. October	47,410,026
2. February	66,342,991	5. May	76,215,463	8. August	47,295,607	11. November	21,227,442
3. March	61,971,289	6. June	(3,604,786)	9. September	41,679,664	12. December	3,942,386

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations							
MARKET STREET FDG DISC		10/25/2012	0.000	01/17/2013	2,698,694	1,052	
3299999 Subtotal - Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations					2,698,694	1,052	
3899999 Subtotal - Bonds - Industrial & Miscellaneous (Unaffiliated)					2,698,694	1,052	
7799999 Subtotals - Bonds - Issuer Obligations					2,698,694	1,052	
8399999 Subtotals - Bonds					2,698,694	1,052	
8699999 Total Cash Equivalents					2,698,694	1,052	

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States. Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
			1. Alabama (AL)			
2. Alaska (AK)						
3. Arizona (AZ)						
4. Arkansas (AR)						
5. California (CA)						
6. Colorado (CO)						
7. Connecticut (CT)						
8. Delaware (DE)						
9. District of Columbia (DC)						
10. Florida (FL)						
11. Georgia (GA)						
12. Hawaii (HI)						
13. Idaho (ID)						
14. Illinois (IL)						
15. Indiana (IN)						
16. Iowa (IA)						
17. Kansas (KS)						
18. Kentucky (KY)						
19. Louisiana (LA)						
20. Maine (ME)						
21. Maryland (MD)						
22. Massachusetts (MA)						
23. Michigan (MI)						
24. Minnesota (MN)						
25. Mississippi (MS)						
26. Missouri (MO)						
27. Montana (MT)						
28. Nebraska (NE)						
29. Nevada (NV)						
30. New Hampshire (NH)						
31. New Jersey (NJ)						
32. New Mexico (NM)						
33. New York (NY)						
34. North Carolina (NC)						
35. North Dakota (ND)						
36. Ohio (OH)						
37. Oklahoma (OK)						
38. Oregon (OR)						
39. Pennsylvania (PA)						
40. Rhode Island (RI)						
41. South Carolina (SC)						
42. South Dakota (SD)						
43. Tennessee (TN)	B	State Requirement	35,939,656	36,615,746		
44. Texas (TX)						
45. Utah (UT)						
46. Vermont (VT)						
47. Virginia (VA)						
48. Washington (WA)						
49. West Virginia (WV)						
50. Wisconsin (WI)						
51. Wyoming (WY)						
52. American Samoa (AS)						
53. Guam (GU)						
54. Puerto Rico (PR)						
55. U.S. Virgin Islands (VI)						
56. Northern Mariana Islands (MP)						
57. Canada (CAN)						
58. Aggregate Alien and Other (OT)	X X X	X X X				
59. Total	X X X	X X X	35,939,656	36,615,746		
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X				
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X				

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**Volunteer State Health Plan, Inc.
NAIC Company Code #14046**

**Annual Statement
2012**

Supplemental Exhibits

March Filing

Supplemental Compensation Exhibit	Supp 1
Medicare Supplement Insurance Experience Exhibit	Supp 12
SIS Title (NONE)	Supp 13
SIS Financial Reporting (NONE)	Supp 14
SIS Information-Management & Directors (NONE)	Supp 15
Statement of Beneficial Ownership of Securities (NONE)	Supp 16
Medicare Part D Coverage Supplement	Supp 17
Approval from State of Domicile for Relief Related to 5-Year Rotation Requirement for Lead Audit Partner	APPR01
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SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2012
(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system:
If yes, do the below amounts represent 1) total gross compensation paid to each individual by or on behalf of all companies that are part of the group:
or 2) allocation to each insurer: Yes[X] No[]
Yes[] No[X]
Yes[X] No[]

2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes[] No[X]

3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes[X] No[]

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1	2	Annual Compensation			
		3	4	5	6
Name and Principal Position	Year	Salary	Bonus	All Other Compensation	Totals
1. Scott Christian Pierce VSHP President and Chief Executive Officer	2012	281,292		37,033	318,325
	2011	66,866		10,063	76,929
	2010				
2. David Matthew Moroney, MD VSHP Vice President and Chief Medical Officer	2012	253,610		108,113	361,723
	2011	236,474		59,995	296,469
	2010	245,581		72,660	318,241
3. Amber Jeanine Cambron VSHP Vice President and Chief Operating Officer	2012	195,848		75,471	271,319
	2011	182,306		64,355	246,661
	2010	185,891		36,365	222,256
4. Reid Allen Smiley VSHP Chief Financial Officer	2012	179,502		50,755	230,257
	2011	88,984		6,315	95,299
	2010	30,670		3,268	33,938
5. Toliver Ralph Woodard, Jr. BCBST Vice President Controller and Chief Accounting Officer	2012	51,785		42,087	93,872
	2011	46,771		27,944	74,715
	2010	57,507		23,111	80,618
6. Vicky Brown Gregg BCBST Chief Executive Officer	2012	301,193		772,614	1,073,807
	2011	222,013		394,895	616,908
	2010	279,119		337,442	616,561
7. John Francis Giblin BCBST Executive Vice President and Chief Financial Officer	2012	117,537		297,076	414,613
	2011	105,967		118,378	224,345
	2010	133,275		98,372	231,647
8. William Morgan Gracey BCBST President and Chief Executive Officer Elect	2012	156,945		240,378	397,323
	2011	141,535		27,952	169,487
	2010	33,664		13,744	47,408
9. Jason David Hickey BCBST Executive Vice President and COO	2012	219,614		123,966	343,580
	2011	233,247		110,084	343,331
	2010				
10. Barbara Easterling Smith VSHP Medical Director	2012	199,863		47,059	246,922
	2011	177,049		24,698	201,747
	2010	164,153		20,479	184,632

PART 3 - DIRECTOR COMPENSATION

1	2	3	4
Name and Principal Position or Occupation	Compensation Paid or Deferred for Services as Director	All Other Compensation Paid or Deferred	Totals
NONE			
9999999			

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For The Year Ended December 31, 2012

(To be filed by March 1)

FOR THE STATE OF TENNESSEE

NAIC Group Code: 3498

NAIC Company Code: 14046

Address (City, State and Zip Code): Chattanooga, TN 37402

Person Completing This Exhibit:

Title:

Telephone:

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2009			Policies Issued in 2010, 2011, 2012								
										Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	11	12	13	14	15	16	17	18
Compliance with OBRA	Policy Form Number									Premiums Earned	Amount	Number of Covered Lives	Premiums Earned	Amount	Number of Covered Lives	Percent of Premiums Earned	Inurred Claims	Percent of Premiums Earned	Inurred Claims	Number of Covered Lives	
NONE																					
0299999 Total Experience on Group Policies..... GENERAL INTERROGATORIES																					

1. If response in Column 1 is no, give full and complete details:

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.

2.1 Address:

2.2 Contact Person and Phone Number:

3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B)

3.1 Address:

3.2 Contact Person and Phone Number:

4. Explain any policies identified above as policy type "O":





NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
SCHEDULE SIS

STOCKHOLDER INFORMATION SUPPLEMENT

FC **NONE**

(To Be Filed by March 1)

**REQUIRED BY THE APPLICABLE QUESTION ON THE SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES FOR THE PROPERTY / CASUALTY, LIFE ACCIDENT AND HEALTH, TITLE
AND HEALTH INSURANCE BLANKS**

TO ANNUAL STATEMENT OF THE

Volunteer State Health Plan, Inc.

COMPANY

FINANCIAL REPORTING TO STOCKHOLDERS

1. Did the company distribute to its stockholders prior to the Annual Meeting during the year an Annual Report for the previous year? Yes No
If answer is "Yes" attach copy. If answer is "No" explain in detail below. Attach separate sheet if necessary.:

 2. Will the company distribute to its stockholders prior to the Annual Meeting during the following year an Annual Report for the current year? Yes No
If answer is "Yes" a copy of the report shall be forwarded to the Insurance Commissioner of the company's domiciliary state at the same time as it is distributed to stockholders. If answer is "No" explain in detail below. Attach separate sheet if necessary.:

 3. If an Annual Report to stockholders was distributed for the previous year; (1) was such distribution prior to or contemporaneous with the solicitation of proxies in respect to the Annual Meeting? Yes No
If answer is "No" explain in detail below. Attach separate sheet if necessary.:
- (2) Did it contain the following financial statements (indicate answer in Column A) and were such financial statements prepared substantially on the basis (individual or consolidated) as required to be present in the Company's Annual Statement (indicate answer in Column B)?

N O N E

	Column A	Column B
To be answered by Life and A & H Companies:		
a. Statement of Assets, Liabilities, Surplus and Other Funds	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b. Summary of Operations	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
c. Surplus Account	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
To be answered by Property and Casualty Companies:		
a. Statement of Assets, Liabilities, Surplus and Other Funds	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b. Statement of Income	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
c. Capital and Surplus Account	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
To be answered by Title Insurance Companies		
a. Statement of Assets, Liabilities, Surplus and Other Funds	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b. Statement of Income - Operations and Investment Exhibit	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
c. Capital and Surplus Account	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
To be answered by Health Insurance Companies:		
a. Statement of Assets, Liabilities, Capital and Surplus	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b. Statement of Revenue and Expenses	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
c. Capital and Surplus Account	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

(See Instructions Below)

1 Name and Title of (a) Each Director and Each Officer with any ownership and (b) any other Owner of more than 10%	2 Title of Security	3 Nature of Ownership	Number of Shares			9 Percentage of Voting Stock Directly and Indirectly Owned or Controlled at the End of the Current Year
			4 Owned at end of Prior Year	5 Acquired During Current Year	6 Disposed of During Current Year	
NONE						

Note: Answer "yes" or "no" as to whether the information concerning the number of shares and the three highest paid Officers whose aggregate direct remuneration exceeded \$100,000 is true and correct. If answer is "no", explain a proxy statement or otherwise. No If answer is "no", explain:

State the number of stockholders of record of the company at the end of the year. Answer: _____

Has the state of domicile granted an exemption or disclaimer of control? Answer: No

If answer is "yes" explain:



Medicare Part D Coverage Supplement (Net of Reinsurance)

NAIC Group Code: 3498

(To be Filed By March 1)

NAIC Company Code: 14046

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected					
1.1 Standard Coverage					
1.11 With Reinsurance Coverage		X X X		X X X	
1.12 Without Reinsurance Coverage		X X X		X X X	
1.13 Risk-Corridor Payment Adjustments		X X X		X X X	
1.2 Supplemental Benefits		X X X		X X X	
2. Premiums Due and Uncollected - change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage		X X X		X X X	X X X
2.12 Without Reinsurance Coverage		X X X		X X X	X X X
2.2 Supplemental Benefits		X X X		X X X	X X X
3. Unearned Premium and Advance Premium - change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage		X X X		X X X	X X X
3.12 Without Reinsurance Coverage		X X X		X X X	X X X
3.2 Supplemental Benefits		X X X		X X X	X X X
4. Risk-Corridor Payment Adjustments - change					
4.1 Receivable		X X X		X X X	X X X
4.2 Payable		X X X		X X X	X X X
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage		X X X		X X X	X X X
5.12 Without Reinsurance Coverage		X X X		X X X	X X X
5.13 Risk-Corridor Payment Adjustments		X X X		X X X	X X X
5.2 Supplemental Benefits		X X X		X X X	X X X
6. Total Premiums		X X X		X X X	
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage				X X X	
7.12 Without Reinsurance Coverage				X X X	
7.2 Supplemental Benefits				X X X	
8. Claim Reserves and Liabilities - change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage		X X X		X X X	X X X
8.12 Without Reinsurance Coverage		X X X		X X X	X X X
8.2 Supplemental Benefits		X X X		X X X	X X X
9. Healthcare Receivables - change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage		X X X		X X X	X X X
9.12 Without Reinsurance Coverage		X X X		X X X	X X X
9.2 Supplemental Benefits		X X X		X X X	X X X
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage		X X X		X X X	X X X
10.12 Without Reinsurance Coverage		X X X		X X X	X X X
10.2 Supplemental Benefits		X X X		X X X	X X X
11. Total Claims		X X X		X X X	
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid - Net of reimbursements applied	X X X		X X X		
12.2 Reimbursements Received but Not Applied - change	X X X		X X X		
12.3 Reimbursements Receivable - change	X X X		X X X		X X X
12.4 Healthcare Receivables - change	X X X		X X X		X X X
13. Aggregate Policy Reserves - change					X X X
14. Expenses Paid		X X X		X X X	
15. Expenses Incurred		X X X		X X X	X X X
16. Underwriting Gain/Loss		X X X		X X X	X X X
17. Cash Flow Result	X X X	X X X	X X X	X X X	

N O N E



Approval from State of Domicile for Relief related to 5-Year Rotation Requirement for Lead Audit Partner

NONE



Approval from State of Domicile for Relief related to 1-Year Cooling Off Period for Independent CPA

NONE



Approval from State of Domicile for Relief related to the Requirement for Audit Committees

NONE