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HEALTH QUARTERLY STATEMENT

As of September 30, 2010

of the Condition and Affairs of the

Molina Healthcare of Michigan, Inc.

NAIC Group Code.....1531, 1531 (Current Period) (Prior Period) NAIC Company Code..... 52630 Employer's ID Number..... 38-3341599

Organized under the Laws of Michigan State of Domicile or Port of Entry Michigan Country of Domicile US

Licensed as Business Type Health Maintenance Organizations Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized..... February 10, 1997 Commenced Business..... January 1, 1998

Statutory Home Office	100 West Big Beaver, Suite 600….. Troy ..... MI ..... 48084-5209 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	100 West Big Beaver, Suite 600….. Troy ..... MI ..... 48084-5209 *(Street and Number) (City or Town, State and Zip Code)*	248-925-1700 *(Area Code) (Telephone Number)*
Mail Address	100 West Big Beaver, Suite 600….. Troy ..... MI ..... 48084-5209 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	100 West Big Beaver, Suite 600….. Troy ..... MI ..... 48084-5209 *(Street and Number) (City or Town, State and Zip Code)*	248-925-1700 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.molinahealthcare.com	
Statutory Statement Contact	Christine Surdock *(Name)*	248-925-1700 *(Area Code) (Telephone Number) (Extension)*
	christine.surdock@molinahealthcare.com *(E-Mail Address)*	248-925-1722 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Zarina Shockley-Sparling #	President (Interim)	2. Christine M Surdock	Treasurer
3. Jeff D Barlow	Secretary	4.	

OTHER

DIRECTORS OR TRUSTEES

Zarina Shockley-Sparling # Anna Marie Lang George Goldstein

State of.....
County of.....

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

(Signature)	(Signature)	(Signature)
Zarina Shockley-Sparling	Christine M Surdock	Jeff D Barlow
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President (Interim)	Treasurer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This _____ day of _____

a. Is this an original filing? Yes [X] No [ ]
b. If no:
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	20,643,403		20,643,403	55,833,991
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(10,268,804)), cash equivalents ($.....0) and short-term investments ($.....114,219,504)	103,950,700		103,950,700	67,719,228
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
10 Aggregate write-ins for invested assets	11,544	11,544	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	124,605,647	11,544	124,594,103	123,553,219
12. Title plants less $.....0 charged off (for Title insurers only)			0	
13. Investment income due and accrued	426,104		426,104	297,315
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection			0	
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
14.3 Accrued retrospective premiums			0	
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers			0	
15.2 Funds held by or deposited with reinsured companies			0	
15.3 Other amounts receivable under reinsurance contracts			0	
16. Amounts receivable relating to uninsured plans			0	
17.1 Current federal and foreign income tax recoverable and interest thereon			0	
17.2 Net deferred tax asset	3,772,548	1,262,755	2,509,793	1,780,720
18. Guaranty funds receivable or on deposit			0	
19. Electronic data processing equipment and software	607,279	606,869	410	6,166
20. Furniture and equipment, including health care delivery assets ($.....0)			0	
21. Net adjustment in assets and liabilities due to foreign exchange rates			0	
22. Receivables from parent, subsidiaries and affiliates			0	
23. Health care ($.....11,241,633) and other amounts receivable	14,284,853	3,043,219	11,241,634	13,851,815
24. Aggregate write-ins for other than invested assets	12,846,436	5,881,373	6,965,063	6,134,747
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 through 24)	156,542,867	10,805,760	145,737,107	145,623,982
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
27. Total (Lines 25 and 26)	156,542,867	10,805,760	145,737,107	145,623,982

DETAILS OF WRITE-INS

1001 Deposits - Long Term	11,544	11,544	0	
1002			0	
1003.			0	
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 thru 1003 plus 1098) (Line 10 above)	11,544	11,544	0	0
2401. Prepaid Expenses/Deposits	1,816,255	337,526	1,478,729	
2402. Intangible Assets (Goodwill/Patient Files)	11,030,181	5,543,847	5,486,334	6,134,747
2403.			0	
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	12,846,436	5,881,373	6,965,063	6,134,747

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	78,018,220		78,018,220	66,965,155
2. Accrued medical incentive pool and bonus amounts	1,070,276		1,070,276	1,518,112
3. Unpaid claims adjustment expenses	986,686		986,686	792,906
4. Aggregate health policy reserves			0	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	331,492		331,492	308,888
9. General expenses due or accrued	1,873,564		1,873,564	4,100,077
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	1,818,061
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	
13. Remittances and items not allocated			0	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	199,754		199,754	134,700
16. Derivatives			0	
17. Payable for securities			0	
18. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
19. Reinsurance in unauthorized companies			0	
20. Net adjustments in assets and liabilities due to foreign exchange rates			0	
21. Liability for amounts held under uninsured plans			0	
22. Aggregate write-ins for other liabilities (including $.....0 current)	397,237	0	397,237	716,983
23. Total liabilities (Lines 1 to 22)	82,877,229	0	82,877,229	76,354,882
24. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
25. Common capital stock	XXX	XXX	159,000	159,000
26. Preferred capital stock	XXX	XXX		
27. Gross paid in and contributed surplus	XXX	XXX	62,829,493	66,904,971
28. Surplus notes	XXX	XXX		
29. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
30. Unassigned funds (surplus)	XXX	XXX	(128,615)	2,205,129
31. Less treasury stock, at cost:				
31.1 .....0.000 shares common (value included in Line 25 $.....0)	XXX	XXX		
31.2 .....0.000 shares preferred (value included in Line 26 $.....0)	XXX	XXX		
32. Total capital and surplus (Lines 24 to 30 minus Line 31)	XXX	XXX	62,859,878	69,269,100
33. Total liabilities, capital and surplus (Lines 23 and 32)	XXX	XXX	145,737,107	145,623,982

DETAILS OF WRITE-INS

2201. Premium/Use Taxes Due	397,237		397,237	716,983
2202.			0	
2203.			0	
2298. Summary of remaining write-ins for Line 22 from overflow page	0	0	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	397,237	0	397,237	716,983
2401.				
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	XXX	XXX	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	XXX	XXX	0	0
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	XXX	XXX	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months	XXX	2,029,275	1,871,392	2,522,898
2. Net premium income (including $.....0 non-health premium income)	XXX	599,329,050	532,044,634	728,242,259
3. Change in unearned premium reserves and reserve for rate credits	XXX			
4. Fee-for-service (net of $.....0 medical expenses)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	0	(9,553,123)	(9,553,017)
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	599,329,050	522,491,511	718,689,242
Hospital and Medical:				
9. Hospital/medical benefits		368,935,998	318,867,163	432,343,065
10. Other professional services		12,541,845	10,431,087	17,669,930
11. Outside referrals		33,390,304	31,333,202	41,427,915
12. Emergency room and out-of-area		19,138,599	16,998,497	22,767,922
13. Prescription drugs		69,669,021	60,454,894	83,632,027
14. Aggregate write-ins for other hospital and medical	0	3,254,955	3,569,450	3,534,458
15. Incentive pool, withhold adjustments and bonus amounts		2,151,599	2,210,191	2,563,962
16. Subtotal (Lines 9 to 15)	0	509,082,321	443,864,484	603,939,279
Less:				
17. Net reinsurance recoveries			55,466	55,466
18. Total hospital and medical (Lines 16 minus 17)	0	509,082,321	443,809,018	603,883,813
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....0 cost containment expenses		14,900,081	13,776,997	18,501,079
21. General administrative expenses		74,958,943	57,659,131	82,012,625
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)	0	598,941,345	515,245,146	704,397,517
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	387,705	7,246,365	14,291,725
25. Net investment income earned		1,287,607	1,417,995	1,721,249
26. Net realized capital gains (losses) less capital gains tax of $.....0		2,786	13,261	20,546
27. Net investment gains or (losses) (Lines 25 plus 26)	0	1,290,393	1,431,256	1,741,795
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	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	1,678,098	8,677,621	16,033,520
31. Federal and foreign income taxes incurred	XXX	1,079,209	3,611,859	6,055,038
32. Net income (loss) (Lines 30 minus 31)	XXX	598,889	5,065,762	9,978,482

DETAILS OF WRITE-INS

0601. Premium Tax	XXX		(9,553,123)	(9,553,017)
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	(9,553,123)	(9,553,017)
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401. Patient Transportation		3,254,955	2,589,767	3,534,458
1402. Other Health care costs			979,683	
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	3,254,955	3,569,450	3,534,458
2901. Miscellaneous				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year	69,269,100	78,211,517	78,211,517
34. Net income or (loss) from Line 32	598,889	5,065,762	9,978,482
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of $.....0			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	471,413	(2,345,621)	(597,990)
39. Change in nonadmitted assets	20,477	3,526,453	3,146,709
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital changes:			
44.1 Paid in		1,030,382	
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in	(4,075,478)		1,030,382
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders	(3,424,522)	(15,000,000)	(22,500,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(6,409,221)	(7,723,024)	(8,942,417)
49. Capital and surplus end of reporting period (Line 33 plus 48)	62,859,879	70,488,493	69,269,100

DETAILS OF WRITE-INS

4701. Change in State DTA & DTL			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	599,351,654	531,445,582	726,451,138
2. Net investment income	1,329,132	1,659,675	2,123,954
3. Miscellaneous income		(9,553,123)	(9,553,017)
4. Total (Lines 1 through 3)	600,680,786	523,552,134	719,022,075
5. Benefit and loss related payments	498,477,092	438,457,825	591,014,799
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	92,211,503	74,980,482	101,845,278
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	2,897,270	8,736,001	9,814,053
10. Total (Lines 5 through 9)	593,585,865	522,174,308	702,674,130
11. Net cash from operations (Line 4 minus Line 10)	7,094,921	1,377,826	16,347,945
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	46,535,000	18,132,410	25,482,410
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			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	46,535,000	18,132,410	25,482,410
13. Cost of investments acquired (long-term only):			
13.1 Bonds	11,511,940	26,302,970	35,202,814
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			11,544
13.7 Total investments acquired (Lines 13.1 to 13.6)	11,511,940	26,302,970	35,214,358
14. Net increase (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	35,023,060	(8,170,560)	(9,731,948)
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	(4,075,478)	1,030,382	1,030,382
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders	3,424,522	15,000,000	22,500,000
16.6 Other cash provided (applied)	1,613,491	(1,613,287)	(4,250,842)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(5,886,509)	(15,582,905)	(25,720,460)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	36,231,472	(22,375,639)	(19,104,463)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	67,719,227	86,823,690	86,823,690
19.2 End of period (Line 18 plus Line 19.1)	103,950,699	64,448,051	67,719,227

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 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	222,905	249						3,316	219,340	
2. First Quarter	225,435	294						4,183	220,958	
3. Second Quarter	226,038	324						5,022	220,692	
4. Third Quarter	224,520	376						5,674	218,470	
5. Current Year	224,520	376						5,674	218,470	
6. Current Year Member Months	2,029,275	2,867						42,491	1,983,917	
Total Member Ambulatory Encounters for Period:										
7. Physician	996,255	900						47,684	947,671	
8. Non-Physician	170,736	111						21,654	148,971	
9. Total	1,166,991	1,011	0	0	0	0	0	69,338	1,096,642	0
10. Hospital Patient Days Incurred	81,008	2						9,152	71,854	
11. Number of Inpatient Admissions	17,932	2						1,417	16,513	
12. Health Premiums Written (a)	599,892,095	238,642						55,258,068	544,395,385	
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	599,892,095	238,642						55,258,068	544,395,385	
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	499,444,002	143,447						44,123,013	455,177,542	
18. Amount Incurred for Provision of Health Care Services	509,082,321	198,325						48,863,582	460,020,414	

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....55,258,068.

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
Rx America	4,166,913					4,166,913
Hospital Cap Payable	24,326,618					24,326,618
0199999. Individually Listed Claims Unpaid	28,493,531	0	0	0	0	28,493,531
0399999. Aggregate Accounts Not Individually Listed-Covered	1,177,062					1,177,062
0499999. Subtotals	29,670,593	0	0	0	0	29,670,593
0599999. Unreported Claims and Other Claim Reserves						48,347,627
0799999. Total Claims Unpaid						78,018,220
0899999. Accrued Medical Incentive Pool and Bonus Amounts						1,070,276

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	10,820	132,627	332	97,181	11,152	42,635
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan					0	
6. Title XVIII - Medicare	5,042,926	39,080,087	413,219	12,105,788	5,456,145	7,778,438
7. Title XIX - Medicaid	58,905,748	394,120,195	2,180,839	63,220,862	61,086,587	59,144,083
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	63,959,494	433,332,909	2,594,390	75,423,831	66,553,884	66,965,156
10. Healthcare receivables (a)				3,043,219	0	2,076,308
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	1,425,142	726,457		1,070,276	1,425,142	1,518,112
13. Totals	65,384,636	434,059,366	2,594,390	73,450,888	67,979,026	66,406,960

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. The financial statements of Molina Healthcare of Michigan, Inc. (the "Company") are presented on the basis of accounting practices prescribed or permitted by the State of Michigan, Office of Financial & Insurance Regulation ("OFIR").

OFIR recognizes only statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Michigan Insurance Code. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Michigan.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

D. As of June 30, 2010, $10.7 million of the Company's long-term investments consisted of auction rate securities, which were collateralized by student loan portfolios guaranteed by the U.S. government. These loan-backed securities were stated at amortized cost. During the third quarter of 2010, the Company sold the entire balance of these auction rate securities, and held no other loan-backed securities as of September 30, 2010.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No significant change.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

C. The company did not have any wash sales during the quarter.

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

No significant change.

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

No significant change.

Note 20 - Other Items

No significant change.

Note 21 - Events Subsequent

No significant change.

Note 22 - Reinsurance

No significant change.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years has increased by $1,572,066 in 2010 for prior years as a result of re-estimation of unpaid claims and claim adjustment expenses. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

Note 25 - Intercompany Pooling Arrangements

No significant change.

Note 26 - Structured Settlements

Not applicable.

Note 27 - Health Care Receivables

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 28 - Participating Policies

No significant change.

Note 29 - Premium Deficiency Reserves

No significant change.

Note 30 - Anticipated Salvage and Subrogation

No significant change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change: .....

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No [ ]
If yes, complete the Schedule Y-Part 1 - Organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008.....

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008.....

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 2/11/2010.....

6.4 By what department or departments?

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [ ] N/A [ ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), 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 OTS	6 FDIC	7 SEC

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

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

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

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $.....0

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

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

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

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

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]
If no, attach a description with this statement.

16. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III. Conducting Examinations, F-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
PFM Asset Management	1 Keystone Plaza, Suite 300, Harrisburg, PA 17101
Bank of America	2600 W. Big Beaver Rd., Troy, MI 48084
Fifth Third Bank	1000 Town Center, Suite 1400, Southfield, MI 48075
JP Morgan Chase	PO Box 260180 Baton Rouge, LA 70826-0180
UBS	One N. Wacker Drive, 25th Floor, Chicago, IL 60606
Oppenheimer Co.	10880 Wilshire Blvd., Los Angeles, CA 90024

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
UBS	Louis Paster, Greg Glyman, Paul Tashima	One N. Wacker Drive, 25th Floor, Chicago, IL 60606
PFM Asset Management	Maria Altomare	1 Keystone Plaza, Suite 300, Harrisburg, PA 17101
Oppenheimer	Vincent Woo	One N. Wilshire Blvd., Los Angeles, CA 90024

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1.	Operating Percentages:		
	1.1 A&H loss percent		86.8 %
	1.2 A&H cost containment percent		1.9 %
	1.3 A&H expense percent excluding cost containment expenses		13.1 %
2.1	Do you act as a custodian for health savings accounts?	Yes [ ]	No [X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.		0
2.3	Do you act as an administrator for heatlh savings accounts?	Yes [ ]	No [X]
2.4	If yes, please provide the amount of funds administered as of the reporting date.		0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (YES or NO)
A&H Non-Affiliates						
67105	41-0451140	01/01/2009	Reliastar Life Insurance Company	Minnesota	A/I	YES

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	L	238,642	55,258,068	544,395,385				599,892,095	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	N							0	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CN	N							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	238,642	55,258,068	544,395,385	0	0	0	599,892,095	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	238,642	55,258,068	544,395,385	0	0	0	599,892,095	0

DETAILS OF WRITE-INS

5801.							0	
5802.							0	
5803.							0	
5898. Summary of remaining write-ins for line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

00000	CA	13-4204626	Molina Healthcare, Inc.
|-00000	CA	33-0342719	Molina Healthcare of California, Inc.
|-00000	MI	38-3435959	HCLB, Inc.
|-52630	MI	38-3341599	Molina Healthcare of Michigan, Inc.
|-95502	UT	33-0617992	Molina Healthcare of Utah, Inc.
|-96270	WA	91-1284790	Molina Healthcare of Washington, Inc.
|-95739	NM	85-0408506	Molina Healthcare of New Mexico, Inc
|-10757	TX	20-1494502	Molina Healthcare of Texas Inc
|-13778	TX	27-0522725	Molina Healthcare of Texas Insurance Company
|-12334	OH	20-0750134	Molina Healthcare of Ohio, Inc
|-00000	CA	20-2714545	Molina Healthcare of California Partner Plan, Inc.
|-00000	GA	20-3372390	Molina Healthcare of Georgia, Inc.
|-12905	NV	20-3567602	Molina Healthcare of Nevada, Inc.
|-69647	OH	31-0628424	Molina Healthcare Insurance Company
|-95609	MO	43-1743902	Alliance for Community Health, LLC (dba Molina Healthcare of Missouri)
|-13128	FL	26-0155137	Molina Healthcare of Florida, Inc.
|-00000	VA	26-1769086	Molina Healthcare of Virginia, Inc.
|-00000	DE	27-1510177	Molina Information Systems, LLC (dba Molina Medicaid Solutions)
|-00000	WI	20-0810346	Avatar Partners, LLC
|-12007	WI	20-0813104	Abri Health Plan, Inc.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1.

Bar Code:

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

NONE

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

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	55,833,992	46,433,322
2. Cost of bonds and stocks acquired	11,511,940	35,202,814
3. Accrual of discount	11,800	24,423
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	2,786	20,546
6. Deduct consideration for bonds and stocks disposed of	46,535,000	25,482,410
7. Deduct amortization of premium	182,115	364,703
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)	20,643,403	55,833,992
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	20,643,403	55,833,992

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	138,230,491	186,583,849	189,766,659	(184,774)	133,223,192	138,230,491	134,862,907	132,621,183
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	138,230,491	186,583,849	189,766,659	(184,774)	133,223,192	138,230,491	134,862,907	132,621,183
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	138,230,491	186,583,849	189,766,659	(184,774)	133,223,192	138,230,491	134,862,907	132,621,183

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	114,219,504	XXX	114,339,367	124,432	160,214

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	76,787,191	74,941,674
2. Cost of short-term investments acquired	632,451,907	1,268,221,979
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	1	
6. Deduct consideration received on disposals	594,881,023	1,266,327,814
7. Deduct amortization of premium	138,572	48,648
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)	114,219,504	76,787,191
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	114,219,504	76,787,191

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of cash equivalents acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
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)	0	0
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous									
172967 DU 2	CITICORP CORPORATE		09/23/2010	OPPENHEIMER & CO.		1,044,010	1,000,000		1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					1,044,010	1,000,000	0	XXX
8399997.	Total - Bonds - Part 3					1,044,010	1,000,000	0	XXX
8399999.	Total - Bonds					1,044,010	1,000,000	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					1,044,010	XXX	0	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
3128X8 MS 8	FHLMC AGENCY		09/02/2010	OPPENHEIMER & CO.		2,000,000	2,000,000	1,998,000	1,998,540		442		442		1,998,982		1,018	1,018	47,000	03/02/2012	1
3133XU 7K 3	FEDERAL HOME LOAN BANK AGENCY		07/27/2010	OPPENHEIMER & CO.		2,000,000	2,000,000	2,000,000	2,000,000				0		2,000,000			0	17,500	07/27/2011	1
3136FJ 5P 2	FNMA AGENCY		08/25/2010	OPPENHEIMER & CO.		2,300,000	2,300,000	2,300,000					0		2,300,000			0	26,450	02/25/2015	1
0399999.	Total - Bonds - U.S. Government					6,300,000	6,300,000	6,298,000	3,998,540	0	442	0	442	0	6,298,982	0	1,018	1,018	90,950	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
13281N KZ 4	CAMDEN COUNTY IMPROVEMENT AUTHORITY		07/27/2010	MATURITY		3,000,000	3,000,000	3,027,900	3,015,831		(15,831)		(15,831)		3,000,000			0	74,792	07/27/2010	1
194262 DA 6	COLLEGE LOAN CORP MUNICIPAL		07/01/2010	UBS FINANCIAL SERVICES INC.		4,000,000	4,000,000	4,000,000	4,000,000				0		4,000,000			0	35,306	10/16/2047	1FE
452281 HX 9	IL STU ASST COMM AUCT_MUNI.		07/01/2010	UBS FINANCIAL SERVICES INC.		2,100,000	2,100,000	2,100,000	2,100,000				0		2,100,000			0	13,229	02/20/2045	1FE
455900 BJ 8	IN SEC MKT ED LOAN MUNICIPAL.		07/01/2010	UBS FINANCIAL SERVICES INC.		3,000,000	3,000,000	3,000,000	3,000,000				0		3,000,000			0	26,624	11/13/2047	1FE
709163 BQ 1	PA ST H/E ASST AGY MUNICIPAL..		07/01/2010	UBS FINANCIAL SERVICES INC.		1,600,000	1,600,000	1,600,000	1,600,000				0		1,600,000			0	22,395	02/29/2028	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					13,700,000	13,700,000	13,727,900	13,715,831	0	(15,831)	0	(15,831)	0	13,700,000	0	0	0	172,346	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
750696 BR 6	RAHWAY NJ REDEVELOPMENT AGENCY		09/15/2010	MATURITY		1,000,000	1,000,000	1,010,080	1,007,137		(7,137)		(7,137)		1,000,000			0	26,250	09/15/2010	1
2499999.	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions					1,000,000	1,000,000	1,010,080	1,007,137	0	(7,137)	0	(7,137)	0	1,000,000	0	0	0	26,250	XXX	XXX
8399997.	Total - Bonds - Part 4					21,000,000	21,000,000	21,035,980	18,721,508	0	(22,526)	0	(22,526)	0	20,998,982	0	1,018	1,018	289,546	XXX	XXX
8399999.	Total - Bonds					21,000,000	21,000,000	21,035,980	18,721,508	0	(22,526)	0	(22,526)	0	20,998,982	0	1,018	1,018	289,546	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					21,000,000	XXX	21,035,980	18,721,508	0	(22,526)	0	(22,526)	0	20,998,982	0	1,018	1,018	289,546	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1B
NONE

Sch. DB-Pt D
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
JP Morgan Chase	Detroit, Michigan					468,094	448,513	579,315	XXX
Bank of America	Tampa, Florida					8,248	7,192	5,166	XXX
US Bank	St. Paul , MI					(10,437,870)	(10,305,054)	(10,854,285)	XXX
PFM Asset Management	Harrisburg, PA						6,954		XXX
0199999. Total Open Depositories		XXX	XXX	0	0	(9,961,528)	(9,842,395)	(10,269,804)	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	(9,961,528)	(9,842,395)	(10,269,804)	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	XXX	1,000	1,000	1,000	XXX
0599999. Total Cash		XXX	XXX	0	0	(9,960,528)	(9,841,395)	(10,268,804)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

NONE