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HEALTH QUARTERLY STATEMENT

As of September 30, 2011

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	Ryan Gregory Randall *(Name)*	248-925-1700 *(Area Code) (Telephone Number) (Extension)*
	ryan.randall@molinahealthcare.com *(E-Mail Address)*	248-925-1722 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Craig Lawton Bass	President	2. Ryan Gregory Randall #	Treasurer/VP
3. Jeffrey Don Barlow	Secretary	4.	

OTHER

DIRECTORS OR TRUSTEES

Craig Lawton Bass Matthew Carter Schueren #

State of..... California
County of..... Los Angeles

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)
Craig Lawton Bass	Ryan Gregory Randall	Jeffrey Don Barlow
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Treasurer/VP	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	25,194,197		25,194,197	18,096,400
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 $.....0 encumbrances)			0	
5. Cash ($.....(10,778,528)), cash equivalents ($.....2,005,119) and short-term investments ($.....133,318,467)	124,545,059		124,545,059	113,094,074
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	11,544	11,544	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	149,750,800	11,544	149,739,256	131,190,474
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	953,364		953,364	969,823
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	20,929		20,929	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
161. Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	1,453,171		1,453,171	
18.1 Current federal and foreign income tax recoverable and interest thereon	3,692,536		3,692,536	
18.2 Net deferred tax asset	3,394,256	873,994	2,520,262	1,617,767
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($.....0)	341,629	341,629	0	41
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	168,623
24. Health care ($.....8,268,335) and other amounts receivable	10,029,022	1,760,687	8,268,335	12,286,062
25. Aggregate write-ins for other than invested assets	7,887,280	1,344,545	6,542,735	5,627,158
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	177,522,987	4,332,399	173,190,588	151,859,948
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	177,522,987	4,332,399	173,190,588	151,859,948

DETAILS OF WRITE-INS

1101. Deposits - Long Term	11,544	11,544	0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	11,544	11,544	0	0
2501. Prepaid Expenses/Deposits	11,496	11,496	0	
2502. Intangible Assets (Goodwill/Patient Files)	7,875,784	1,333,049	6,542,735	5,627,158
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	7,887,280	1,344,545	6,542,735	5,627,158

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	81,181,504		81,181,504	81,174,633
2. Accrued medical incentive pool and bonus amounts	2,021,123		2,021,123	1,561,416
3. Unpaid claims adjustment expenses	854,407		854,407	995,357
4. Aggregate health policy reserves	72,221		72,221	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	9,789,185		9,789,185	199,904
9. General expenses due or accrued	4,390,085		4,390,085	2,509,742
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	1,552,457
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 $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	35,633		35,633	
16. Derivatives			0	
17. Payable for securities			0	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
20. Reinsurance in unauthorized companies			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	
22. Liability for amounts held under uninsured plans	171,373		171,373	
23. Aggregate write-ins for other liabilities (including $.....0 current)	184,709	0	184,709	349,897
24. Total liabilities (Lines 1 to 23)	98,700,240	0	98,700,240	88,343,406
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	159,000	159,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	56,477,839	58,329,493
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	17,853,509	5,028,049
32. Less treasury stock, at cost:				
32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	74,490,348	63,516,542
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	173,190,588	151,859,948

DETAILS OF WRITE-INS

2301. Premium/Use Taxes Due	184,709		184,709	349,897
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	184,709	0	184,709	349,897
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.				
3002.				
3003.				
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months	XXX	2,002,309	2,029,275	2,708,441
2. Net premium income (including $.....0 non-health premium income)	XXX	633,321,257	599,329,050	806,365,616
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	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	633,321,257	599,329,050	806,365,616
Hospital and Medical:				
9. Hospital/medical benefits		366,249,435	368,935,998	491,896,029
10. Other professional services		13,800,097	12,541,845	16,765,213
11. Outside referrals		35,502,339	33,390,304	43,762,779
12. Emergency room and out-of-area		20,021,296	19,138,599	25,317,328
13. Prescription drugs		76,635,177	69,669,021	95,101,258
14. Aggregate write-ins for other hospital and medical	0	3,186,903	3,254,955	4,391,601
15. Incentive pool, withhold adjustments and bonus amounts		3,003,291	2,151,599	2,977,722
16. Subtotal (Lines 9 to 15)	0	518,398,538	509,082,321	680,211,930
Less:				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)	0	518,398,538	509,082,321	680,211,930
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....13,946,695 cost containment expenses		16,440,646	14,900,081	19,727,174
21. General administrative expenses		78,771,601	74,958,943	101,001,031
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	613,610,785	598,941,345	800,940,135
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	19,710,472	387,705	5,425,481
25. Net investment income earned		686,001	1,287,607	1,608,188
26. Net realized capital gains (losses) less capital gains tax of $.....0			2,786	2,786
27. Net investment gains or (losses) (Lines 25 plus 26)	0	686,001	1,290,393	1,610,974
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	20,396,473	1,678,098	7,036,455
31. Federal and foreign income taxes incurred	XXX	8,426,085	1,079,209	3,372,553
32. Net income (loss) (Lines 30 minus 31)	XXX	11,970,388	598,889	3,663,902

DETAILS OF WRITE-INS

0601.	XXX			
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	0	0
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		3,186,903	3,254,955	4,391,601
1402.				
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	3,186,903	3,254,955	4,391,601
2901.				
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	63,516,543	69,269,100	69,269,100
34. Net income or (loss) from Line 32	11,970,388	598,889	3,663,902
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	144,288	471,413	(51,167)
39. Change in nonadmitted assets	3,859,129	20,477	2,634,708
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			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in	(1,851,654)	(4,075,478)	(8,575,478)
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders	(3,148,346)	(3,424,522)	(3,424,522)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	10,973,805	(6,409,221)	(5,752,557)
49. Capital and surplus end of reporting period (Line 33 plus 48)	74,490,348	62,859,879	63,516,543

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	642,961,830	599,351,654	806,256,632
2. Net investment income	986,274	1,329,132	1,165,347
3. Miscellaneous income			
4. Total (Lines 1 through 3)	643,948,104	600,680,786	807,421,979
5. Benefit and loss related payments	517,931,960	498,477,092	665,959,148
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	94,919,840	92,211,503	122,483,175
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	13,671,078	2,897,270	3,638,157
10. Total (Lines 5 through 9)	626,522,878	593,585,865	792,080,480
11. Net cash from operations (Line 4 minus Line 10)	17,425,226	7,094,921	15,341,499
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	15,360,000	46,535,000	51,535,000
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)	15,360,000	46,535,000	51,535,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds	22,741,610	11,511,940	14,024,290
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	22,741,610	11,511,940	14,024,290
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)	(7,381,610)	35,023,060	37,510,710
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	(1,851,654)	(4,075,478)	(8,575,478)
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders	3,148,346	3,424,522	3,424,522
16.6 Other cash provided (applied)	6,407,370	1,613,491	4,522,637
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	1,407,370	(5,886,509)	(7,477,363)
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)	11,450,986	36,231,472	45,374,846
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	113,094,073	67,719,227	67,719,227
19.2 End of period (Line 18 plus Line 19.1)	124,545,059	103,950,699	113,094,073

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	226,703	819						6,322	219,562	
2. First Quarter	225,288	880						6,716	217,692	
3. Second Quarter	220,309	1,111						7,121	212,077	
4. Third Quarter	217,555	1,165						7,616	208,774	
5. Current Year	0									
6. Current Year Member Months	2,002,309	8,943						62,874	1,930,492	
Total Member Ambulatory Encounters for Period:										
7. Physician	1,045,882	2,247						77,453	966,182	
8. Non-Physician	204,954	331						33,873	170,750	
9. Total	1,250,836	2,578	0	0	0	0	0	111,326	1,136,932	0
10. Hospital Patient Days Incurred	81,366	29						10,916	70,421	
11. Number of Inpatient Admissions	16,166	10						1,294	14,862	
12. Health Premiums Written (a)	633,642,815	703,345						88,411,781	544,527,689	
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	633,642,815	703,345						88,411,781	544,527,689	
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	518,388,192	406,681						72,310,308	445,671,203	
18. Amount Incurred for Provision of Health Care Services	518,398,538	604,162						74,050,904	443,743,472	

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....88,411,781.

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)						
Pharmacy - CVS Caremark	4,687,369					4,687,369
Hospital Cap Payable	33,422,792					33,422,792
0199999. Individually Listed Claims Unpaid	38,110,161	0	0	0	0	38,110,161
0399999. Aggregate Accounts Not Individually Listed-Covered	1,205,388					1,205,388
0499999. Subtotals	39,315,549	0	0	0	0	39,315,549
0599999. Unreported Claims and Other Claim Reserves						41,865,955
0799999. Total Claims Unpaid						81,181,504
0899999. Accrued Medical Incentive Pool and Bonus Amounts						2,021,123

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)	24,526	382,155	519	222,526	25,045	118,296
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan					0	
6. Title XVIII - Medicare	11,151,436	61,158,872	106,531	12,998,563	11,257,967	15,335,800
7. Title XIX - Medicaid	63,330,155	379,337,757	978,666	66,874,698	64,308,821	65,720,538
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	74,506,117	440,878,784	1,085,716	80,095,787	75,591,833	81,174,634
10. Healthcare receivables (a)				1,766,307	0	1,310,077
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	1,183,035	1,820,256		2,021,123	1,183,035	1,561,416
13. Totals (Lines 9-10+11+12)	75,689,152	442,699,040	1,085,716	80,350,603	76,774,868	81,425,973

(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 September 30, 2011, the Company had no investments in loan-backed securities.

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

During the third quarter, the Company paid estimated taxes based upon taxable income which included unearned premiums. At September 30, 2011, a portion of these premiums were earned, resulting in lower accrued tax than what was paid. As a result, the Company recorded $3.7 million in income tax recoverable at September 30, 2011.

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

A. No significant change.

B. The Company paid a $5,000,000 dividend to the Parent, Molina Healthcare, Inc., of which $1,851,654 was considered ordinary, and $3,148,346 was considered extraordinary. The dividend was paid on July 27, 2011, upon approval from the OFIR.

C. - D. No significant change.

E. On September 9, 2011, the Parent entered into a credit agreement for a $170 million revolving Credit Facility with various lenders to be used for general corporate purposes. The Credit Facility is collateralized by a pledge of the capital stock of the Company, as well as the common stock of other subsidiaries of the Parent. As of September 30, 2011 there was no outstanding principal balance under the Credit Facility, however, the lenders had issued two letters of credit in the aggregate principal amount of $10.3 million. As of September 30, 2011, the Parent was in compliance with all financial covenants under the Credit Facility.

On September 9, 2011, the Parent terminated its existing credit agreement with Bank of America, dated March 9, 2005, as amended to date, which had provided the Parent with a $150 million revolving credit facility.

F. - L. No signficant change.

NOTES TO FINANCIAL STATEMENTS

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.

Note 14 - Contingencies

A. Contingent Commitments: As described in Note 10.E. above, the Parent has entered into a credit facility, which is collateralized by the Company's common stock, as well as the common stock of other subsidiaries of the Parent. No amounts were outstanding under this Credit Facility at September 30, 2011.

B. - E. No signficant 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 - Fair Value

(1) Assets Measured at Fair Value on a Recurring Basis: The Company's assets measured at fair value on a recurring basis include primarily short-term money market funds, which are classified as short-term investments. The Plan receives monthly statements from investment brokers that provide market pricing.

(1)	(2)	(3)	(4)	(5)
Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Short-term investments	$ 133,318,467			$ 133,318,467
Total assets at fair value	$ 133,318,467			$ 133,318,467
b. Liabilities at fair value				
None (see (3) below)				

(2) None

(3) The Company's statutory-basis balance sheets include the following financial instruments: cash, cash equivalents, short-term investments, bonds, investment income due and accrued, receivables, federal income taxes recoverable, claims liabilities, accounts payable, and other current liabilities. The Company believes the carrying amounts of current assets and current liabilities in the statutory-basis financial statements approximate

NOTES TO FINANCIAL STATEMENTS

the fair value of these financial instruments because of the relatively short period of time between the origination of the instruments and their expected realization or payment.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Unpaid claims and claims adjustment expenses activity as of September 30, 2011, and for the period then ended, is summarized as follows:

Claims unpaid and unpaid claims adjustment expenses, beginning of period	83,731,406
Add provision for claims:	
Current period	524,637,192
Prior periods	(6,238,654)
Net incurred claims during the current period	518,398,538
Deduct paid claims:	
Current period	471,429,835
Prior periods	42,505,328
Net paid claims during the current period	513,935,163
Change in admitted health care receivables	
	(3,996,797)
Change in claims adjustment expenses	(140,950)
	(4,137,747)
Claims unpaid and unpaid claims adjustment expenses, end of period	84,057,034

The change in prior periods estimated claims reserves represents favorable development in claims experience. Original estimates are increased or decreased as additional information becomes known regarding incurred claims.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

Not applicable.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 31 - 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 [ ] No [X]
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?
Office of Financial & Insurance Regulation

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
Bank of America	2600 W. Big Beaver Rd., Troy, MI 48084
Fifth Third Bank	1000 Towne Center, Suite 4000, Southfield, MI 48075
Oppenheimer Trust Company	18 Columbia Turnpike, Florham Park, NJ 07932

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
249	Oppenheimer & Co.	500 W. Madison, Ste. 400, Chicago, IL 60661
249	Oppenheimer & Co.	Wilshire Blvd., Ste. 2400, Los Angeles, CA 90024

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		84.1 %
	1.2 A&H cost containment percent		2.2 %
	1.3 A&H expense percent excluding cost containment expenses		12.8 %
2.1	Do you act as a custodian for health savings accounts?	Yes [ ]	No [X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.		0
2.3	Do you act as an administrator for health savings accounts?	Yes [ ]	No [X]
2.4	If yes, please provide the 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 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (YES or NO)
A&H Non-Affiliates						
93572	43-1235868	01/01/2011	RGA Reinsurance Company	MO	SSL/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	703,345	88,411,781	544,527,689				633,642,815	
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	703,345	88,411,781	544,527,689	0	0	0	633,642,815	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	703,345	88,411,781	544,527,689	0	0	0	633,642,815	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

NONE

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?	SEE EXPLANATION

Explanation:

1. This line of business is not written by the company.

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	18,096,401	55,833,992
2. Cost of bonds and stocks acquired	22,741,610	14,024,290
3. Accrual of discount	1,373	12,978
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		2,786
6. Deduct consideration for bonds and stocks disposed of	15,360,000	51,535,000
7. Deduct amortization of premium	285,187	242,645
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)	25,194,197	18,096,401
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	25,194,197	18,096,401

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)	202,369,361	394,541,674	435,766,006	(627,248)	148,074,282	202,369,361	160,517,781	141,025,951
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)					2,515,552			
6. Class 6 (a)								
7. Total Bonds	202,369,361	394,541,674	435,766,006	(627,248)	150,589,834	202,369,361	160,517,781	141,025,951
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	202,369,361	394,541,674	435,766,006	(627,248)	150,589,834	202,369,361	160,517,781	141,025,951

(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 $.....2,507,580; 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	133,318,467	XXX	134,201,673	800,328	258,897

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	122,929,551	76,787,191
2. Cost of short-term investments acquired	983,447,112	870,103,812
3. Accrual of discount	860	
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	971,580,887	823,436,891
7. Deduct amortization of premium	1,478,169	524,561
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)	133,318,467	122,929,551
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	133,318,467	122,929,551

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	
2. Cost of cash equivalents acquired	2,016,820	
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	11,701	
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)	2,005,119	0
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,005,119	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									
02580E CG 6	AMERICAN EXPRESS BK FSB		07/27/2011	Unknown		3,164,610	3,000,000	48,100	1FE
06738G UZ 1	BARCLAYS BANK PLC	F	07/20/2011	Unknown		3,153,150	3,000,000	60,404	1FE
2515A0 HQ 9	DEUTSCHE BANK AG LONDON	F	07/20/2011	Unknown		3,161,670	3,000,000	46,135	1F
3899999.	Total - Bonds - Industrial & Miscellaneous					9,479,430	9,000,000	154,640	XXX
8399997.	Total - Bonds - Part 3					9,479,430	9,000,000	154,640	XXX
8399999.	Total - Bonds					9,479,430	9,000,000	154,640	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					9,479,430	XXX	154,640	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																					
313373 MZ 2	FEDERAL HOME LOAN BANK		08/16/2011	Unknown		3,000,000	3,000,000	3,000,000					0		3,000,000			0	2,813	05/16/2013	1
0599999.	Total - Bonds - U.S. Government					3,000,000	3,000,000	3,000,000	0	0	0	0	0	0	3,000,000	0	0	0	2,813	XXX	XXX
Bonds - Industrial and Miscellaneous																					
172967 DU 2	CITIGROUP INC.		09/29/2011	MATURITY		1,000,000	1,000,000	1,044,010	1,032,692		(32,692)		(32,692)		1,000,000			0	51,000	09/29/2011	1FE
36962G X8 2	GENERAL ELEC CAP CORP.		08/22/2011	MATURITY		2,000,000	2,000,000	2,013,640	2,000,000				0		2,000,000			0	123,933	08/22/2011	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					3,000,000	3,000,000	3,057,650	3,032,692	0	(32,692)	0	(32,692)	0	3,000,000	0	0	0	174,933	XXX	XXX
8399997.	Total - Bonds - Part 4					6,000,000	6,000,000	6,057,650	3,032,692	0	(32,692)	0	(32,692)	0	6,000,000	0	0	0	177,746	XXX	XXX
8399999.	Total - Bonds					6,000,000	6,000,000	6,057,650	3,032,692	0	(32,692)	0	(32,692)	0	6,000,000	0	0	0	177,746	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					6,000,000	XXX	6,057,650	3,032,692	0	(32,692)	0	(32,692)	0	6,000,000	0	0	0	177,746	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-Footnote
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1-Footnote
NONE

Sch. DB-Pt B-Sn 1B-Broker List
NONE

Sch. DB-Pt D
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
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					1,301,464	1,898,465	1,595,624	XXX
JP Morgan Chase	Detroit, Michigan					148,789	347,649	(3,501)	XXX
US Bank	St. Paul, MI					(11,302,906)	(13,248,733)	(12,051,688)	XXX
US Bank	St. Paul, MI					(653,025)	(978,237)	(323,015)	XXX
Bank of America	Tampa, Florida					5,247	4,302	3,052	XXX
0199999. Total Open Depositories		XXX	XXX	0	0	(10,500,431)	(11,976,554)	(10,779,528)	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	(10,500,431)	(11,976,554)	(10,779,528)	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	(10,499,431)	(11,975,554)	(10,778,528)	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
Industrial and Miscellaneous (Unaffiliated) Issuer Obligations							
DEUTSCHE BANK TRUST CORP.		08/25/2011	7.250	10/15/2011	2,005,119	66,861	
3299999. Industrial and Miscellaneous (Unaffiliated) Issuer Obligations					2,005,119	66,861	0
3899999. Total - Industrial and Miscellaneous (Unaffiliated)					2,005,119	66,861	0
Total							
7799999. Subtotals - Issuer Obligations					2,005,119	66,861	0
8399999. Subtotals - Bonds					2,005,119	66,861	0
8699999. Total - Cash Equivalents					2,005,119	66,861	0