

**QUARTERLY STATEMENT
OF THE
Volunteer State Health Plan, Inc.**

**of
Chattanooga
in the state of
Tennessee**

**TO THE
Insurance Department
OF THE STATE OF
Tennessee**

**FOR THE QUARTER ENDED
March 31, 2012**

2012

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QUARTERLY STATEMENT AS OF March 31, 2012 OF THE CONDITION AND AFFAIRS OF THE Volunteer State Health Plan, Inc.

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

CORPORATE OFFICERS

Name	Title
Scott Christian Pierce	President & CEO
Shelia Dian Clemons	Secretary
Katharine Anne Laurance	Assistant Secretary
Daniel Paul Timblin	Treasurer
Alaine Marie Zachary	Assistant Treasurer

ADMINISTRATIVE OFFICERS




Reid Allen Smiley, Chief Financial Officer	Amber Jeanine Cambron, Chief Operating Officer
David Matthew Moroney MD, VP & Chief Medical Officer	James Howard Srite, Actuary

DIRECTORS OR TRUSTEES

Vicky Brown Gregg, Chairman	William Morgan Gracey
John Francis Giblin	

State of Tennessee
County of Hamilton ss

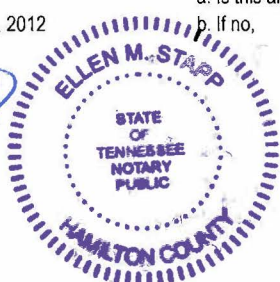
The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from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

 (Signature) Scott Christian Pierce (Printed Name) 1. President & CEO (Title)	 (Signature) Shelia Dian Clemons (Printed Name) 2. Secretary (Title)	 (Signature) Reid Allen Smiley (Printed Name) 3. Chief Financial Officer (Title)
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Subscribed and sworn to before me this _____ day of May, 2012

- 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 _____


 (Notary Public Signature)



My Commission Expires:
January 23, 2013

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ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	189,047,599		189,047,599	184,988,386
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....61,971,289), cash equivalents (\$.....42,202,012) and short-term investments (\$.....115,891,513)	220,064,814		220,064,814	184,519,385
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities	15,011		15,011	803,972
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	409,127,424		409,127,424	370,311,743
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,167,375		1,167,375	1,156,594
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				16,815,438
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	1,204,973		1,204,973	1,201,036
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	4,836,005	762,848	4,073,157	4,443,691
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustments in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$.....0) and other amounts receivable	1,074,755	1,074,755		
25. Aggregate write-ins for other than invested assets	117,000	117,000		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	417,527,532	1,954,603	415,572,929	393,928,502
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	417,527,532	1,954,603	415,572,929	393,928,502
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	117,000	117,000		
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	117,000	117,000		

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	163,720,892		163,720,892	159,627,541
2. Accrued medical incentive pool and bonus amounts	1,278,588		1,278,588	850,917
3. Unpaid claims adjustment expenses	8,419,578		8,419,578	8,014,422
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	6,291,954		6,291,954	6,236,739
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	14,994		14,994	10,989
13. Remittances and items not allocated	2,353,647		2,353,647	2,122,489
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	15,777,482		15,777,482	16,820,969
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
20. Reinsurance in unauthorized companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	464,455		464,455	895,768
23. Aggregate write-ins for other liabilities (including \$.....0 current)	37,654,415		37,654,415	24,313,559
24. Total liabilities (Lines 1 to 23)	235,976,005		235,976,005	218,893,393
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	10	10
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	155,299,990	155,299,990
29. Surplus notes	X X X	X X X	17,000,000	17,000,000
30. Aggregate write-ins for other than special surplus funds	X X X	X X X	34,850,000	34,651,682
31. Unassigned funds (surplus)	X X X	X X X	(27,553,076)	(31,916,573)
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	179,596,924	175,035,109
34. Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	415,572,929	393,928,502
DETAILS OF WRITE-INS				
2301. Insured Premium Tax Payable	23,772,698		23,772,698	24,175,817
2302. Due State of Tennessee - Premium Payable	13,751,114		13,751,114	
2303. Pending Escheatment To State	113,753		113,753	104,569
2398. Summary of remaining write-ins for Line 23 from overflow page	16,850		16,850	33,173
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	37,654,415		37,654,415	24,313,559
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001. Legally Required Reserves	X X X	X X X	34,850,000	34,651,682
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X	34,850,000	34,651,682

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	1,202,086	1,238,353	4,911,134
2. Net premium income (including \$.....0 non-health premium income)	X X X	415,418,914	435,146,330	1,695,982,644
3. Change in unearned premium reserves and reserves for rate credits	X X X			
4. Fee-for-service (net of \$.....0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	415,418,914	435,146,330	1,695,982,644
Hospital and Medical:				
9. Hospital/medical benefits		266,383,816	281,401,509	1,057,049,603
10. Other professional services		69,612,349	54,169,513	252,177,346
11. Outside referrals				
12. Emergency room and out-of-area		10,274,893	9,872,624	42,394,538
13. Prescription drugs				
14. Aggregate write-ins for other hospital and medical				
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)		346,271,058	345,443,646	1,351,621,487
Less:				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)		346,271,058	345,443,646	1,351,621,487
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$.....13,638,640 cost containment expenses		24,792,809	27,920,465	89,112,502
21. General administrative expenses		37,252,856	33,743,105	160,252,412
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		408,316,723	407,107,216	1,600,986,401
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	7,102,191	28,039,114	94,996,243
25. Net investment income earned		785,049	773,418	3,128,627
26. Net realized capital gains (losses) less capital gains tax of \$.....0		36,877	63,292	585,287
27. Net investment gains or (losses) (Lines 25 plus 26)		821,926	836,710	3,713,914
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]				
29. Aggregate write-ins for other income or expenses				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	7,924,117	28,875,824	98,710,157
31. Federal and foreign income taxes incurred	X X X	2,761,407	2,199,361	25,211,047
32. Net income (loss) (Lines 30 minus 31)	X X X	5,162,710	26,676,463	73,499,110
DETAILS OF WRITE-INS				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	175,035,109	104,921,560	104,921,560
34. Net income or (loss) from Line 32	5,162,710	26,676,463	73,499,110
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	35,973	(7,195)	2,642
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	(441,199)	(8,344,832)	(9,256,390)
39. Change in nonadmitted assets	(32,654)	5,840,785	5,868,187
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles	(163,015)		
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	4,561,815	24,165,221	70,113,549
49. Capital and surplus end of reporting period (Line 33 plus 48)	179,596,924	129,086,781	175,035,109
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)			

Report #2A: TennCare Select Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	137,769	137,769	538,990
Estimated Revenues:			
1. TennCare Capitation	106,368,010	106,368,010	365,372,932
2. Investment	-	-	-
3. Other Revenues	-	-	-
4. Total Estimated Revenues (Lines 1 to 3)	106,368,010	106,368,010	365,372,932
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	282,222	282,222	1,090,389
6. Fee-for Service Physician Services	11,700,685	11,700,685	40,263,944
7. Inpatient Hospital Services	23,105,353	23,105,353	76,799,881
8. Outpatient Hospital Services	8,816,642	8,816,642	30,746,261
9. Emergency Room Services	1,186,160	1,186,160	4,491,571
10. Dental Services	335	335	308
11. Vision Services	88,927	88,927	283,460
12. Pharmacy Services	-	-	(1,194)
13. Home Health Services	27,473,315	27,473,315	96,110,319
14. Chiropractic Services	-	-	-
15. Radiology Services	309,365	309,365	1,211,898
16. Laboratory Services	408,065	408,065	1,460,182
17. Durable Medical Equipment Services	5,130,487	5,130,487	14,538,794
18. Transportation Services	850,992	850,992	3,738,243
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	-	-	-
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	54,577	54,577	420,112
23. HCBS Services	932	932	2,882
24. Other Medical and Hospital Services - Write-Ins	2,167,855	2,167,855	6,295,145
25. Subtotal Medical and Hospital (Lines 5 to 24)	81,575,912	81,575,912	277,452,195
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,095,068	1,095,068	4,942,226
27. Inpatient Substance Abuse Treatment and Detox	6,000	6,000	21,598
28. Outpatient Mental Health Services	3,938,370	3,938,370	13,837,283
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	1,959,088	1,959,088	6,880,297
31. Specialized Crisis Services	284,004	284,004	1,054,391
32. Psychiatric Rehab and Support Services	149,787	149,787	1,410,762
33. Case Management	2,415,528	2,415,528	8,729,140
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	23,580	23,580	78,909
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	1,884,289	1,884,289	6,540,689
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	11,755,714	11,755,714	43,495,295
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	93,331,626	93,331,626	320,947,490
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	320	320	(786)
48. Subrogation and Coordination of Benefits	214,275	214,275	502,350
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	214,595	214,595	501,564
50. Total Hospital, Medical, MH&SAS (Lines 45 and 49)	93,117,031	93,117,031	320,445,926
Administration:			
51. Compensation	4,150,484	4,150,484	13,140,965
52. Marketing	-	-	-
53. Interest Expense	-	-	-
54. Premium Tax Expense	5,850,241	5,850,241	20,095,511
55. Occupancy, Depreciation, and Amortization	355,312	355,312	1,124,962
56. Other Administration - Write-Ins	2,135,061	2,135,061	6,759,870
57. Total Administration Expenses (Lines 51 to 56)	12,491,098	12,491,098	41,121,308
58. Total Expenses (Lines 50 and 57)	105,608,129	105,608,129	361,567,234
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	264,804	264,804	971,994
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	495,077	495,077	2,833,704
Write-Ins for Other Expense			
Detail of Other Revenues			
0301.	-	-	-
0399. Total Other Revenues	-	-	-
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	2,098,911	2,098,911	6,804,084
2202. Out of Area Claims Expense	-	-	(4,692)
2203. Bad Debt Expense	68,944	68,944	(504,247)
2299. Total Other Medical and Hospital	2,167,855	2,167,855	6,295,145
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	755,258	755,258	2,391,241
5602. Outsourced Services	636,872	636,872	2,016,416
5603. Auditing, Actuarial, and Other Consulting	268,725	268,725	850,818
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	259,817	259,817	822,613
5605. Postage/Telephone	160,516	160,516	508,213
5606. Printing and Stationary	53,873	53,873	170,569
5699. Total Other Administration	2,135,061	2,135,061	6,759,870

Report #2A: BlueCare West Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	539,415	539,415	2,185,691
Estimated Revenues:			
1. TennCare Capitation	184,329,878	184,329,878	741,600,132
2. Investment	363,539	363,539	1,695,885
3. Other Revenues	25,000	25,000	67,712
4. Total Estimated Revenues (Lines 1 to 3)	184,718,417	184,718,417	743,363,729
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	3,445	3,445	17,970
6. Fee-for Service Physician Services	32,865,466	32,865,466	124,392,604
7. Inpatient Hospital Services	24,999,243	24,999,243	101,548,192
8. Outpatient Hospital Services	16,461,639	16,461,639	69,289,254
9. Emergency Room Services	5,947,813	5,947,813	25,005,773
10. Dental Services	-	-	3,176
11. Vision Services	110,557	110,557	432,083
12. Pharmacy Services	-	-	-
13. Home Health Services	5,622,900	5,622,900	22,320,774
14. Chiropractic Services	-	-	-
15. Radiology Services	1,540,271	1,540,271	6,265,336
16. Laboratory Services	2,514,272	2,514,272	9,644,988
17. Durable Medical Equipment Services	2,716,096	2,716,096	8,269,805
18. Transportation Services	3,156,463	3,156,463	13,907,103
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	-	-	-
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	30,978,879	30,978,879	134,345,774
23. HCBS Services	9,116,225	9,116,225	20,828,843
24. Other Medical and Hospital Services - Write-Ins	2,607,291	2,607,291	9,043,589
25. Subtotal Medical and Hospital (Lines 5 to 24)	138,640,560	138,640,560	545,315,264
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,813,635	1,813,635	4,938,436
27. Inpatient Substance Abuse Treatment and Detox	99,120	99,120	243,258
28. Outpatient Mental Health Services	1,379,394	1,379,394	4,114,838
29. Outpatient Substance Abuse Treatment and Detox	-	-	609
30. Housing/Residential Treatment	846,844	846,844	2,432,211
31. Specialized Crisis Services	822,265	822,265	3,113,205
32. Psychiatric Rehab and Support Services	314,895	314,895	967,660
33. Case Management	3,135,814	3,135,814	12,286,032
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	29,355	29,355	114,128
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	1,110,458	1,110,458	6,408,556
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	9,551,780	9,551,780	34,618,933
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	148,192,340	148,192,340	579,934,197
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	13,928	13,928	52,274
48. Subrogation and Coordination of Benefits	-	-	-
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	13,928	13,928	52,274
50. Total Hospital, Medical, MH&SAS, (Lines 45 and 49)	148,178,412	148,178,412	579,881,923
Administration:			
51. Compensation	10,694,011	10,694,011	43,471,825
52. Marketing	-	-	-
53. Interest Expense	-	-	-
54. Premium Tax Expense	10,139,518	10,139,518	40,791,731
55. Occupancy, Depreciation, and Amortization	915,485	915,485	3,721,503
56. Other Administration - Write-Ins	5,501,132	5,501,132	22,362,441
57. Total Administration Expenses (Lines 51 to 56)	27,250,146	27,250,146	110,347,500
58. Total Expenses (Lines 50 and 57)	175,428,558	175,428,558	690,229,423
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	3,237,343	3,237,343	13,570,756
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	6,052,516	6,052,516	39,563,550
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Pay-for-Performance Bonus	25,000	25,000	67,712
0399. Total Other Revenues	25,000	25,000	67,712
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	2,517,269	2,517,269	8,763,942
2202. Bad Debt Expense	90,040	90,040	279,874
2203. Out of Area Claims Expense	(18)	(18)	(227)
2299. Total Other Medical and Hospital	2,607,291	2,607,291	9,043,589
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	1,945,973	1,945,973	7,910,503
5602. Outsourced Services	1,640,944	1,640,944	6,670,541
5603. Auditing, Actuarial, and Other Consulting	692,390	692,390	2,814,608
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	669,437	669,437	2,721,299
5605. Postage/Telephone	413,580	413,580	1,681,228
5606. Printing and Stationary	138,808	138,808	564,262
5699. Total Other Administration	5,501,132	5,501,132	22,362,441

Report #2A: BlueCare East Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	662,671	662,671	2,725,444
Estimated Revenues:			
1. TennCare Capitation	231,049,037	231,049,037	954,333,664
2. Investment	444,363	444,363	2,109,301
3. Other Revenues	15,000	15,000	-
4. Total Estimated Revenues (Lines 1 to 3)	231,508,400	231,508,400	956,442,965
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	68,420	68,420	285,335
6. Fee-for Service Physician Services	51,477,397	51,477,397	195,242,804
7. Inpatient Hospital Services	39,392,951	39,392,951	134,874,373
8. Outpatient Hospital Services	18,693,000	18,693,000	73,375,772
9. Emergency Room Services	4,325,027	4,325,027	17,333,899
10. Dental Services	2,144	2,144	8,861
11. Vision Services	181,950	181,950	604,829
12. Pharmacy Services	-	-	-
13. Home Health Services	7,236,506	7,236,506	29,885,303
14. Chiropractic Services	-	-	-
15. Radiology Services	2,006,050	2,006,050	8,056,167
16. Laboratory Services	2,765,326	2,765,326	11,309,294
17. Durable Medical Equipment Services	5,059,441	5,059,441	17,211,368
18. Transportation Services	3,937,745	3,937,745	19,809,689
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	-	-	-
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	39,859,660	39,859,660	181,835,964
23. HCBS Services	7,622,183	7,622,183	23,735,901
24. Other Medical and Hospital Services - Write-Ins	2,869,132	2,869,132	9,977,410
25. Subtotal Medical and Hospital (Lines 5 to 24)	185,496,932	185,496,932	723,546,969
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,142,295	1,142,295	4,750,333
27. Inpatient Substance Abuse Treatment and Detox	113,026	113,026	252,856
28. Outpatient Mental Health Services	3,314,784	3,314,784	11,262,597
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	944,925	944,925	3,785,300
31. Specialized Crisis Services	790,784	790,784	5,871,564
32. Psychiatric Rehab and Support Services	791,227	791,227	3,438,101
33. Case Management	3,572,230	3,572,230	12,226,192
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	45,433	45,433	156,576
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	1,920,548	1,920,548	6,579,215
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	12,635,252	12,635,252	48,322,734
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	198,132,184	198,132,184	771,869,703
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	33,819	33,819	129,784
48. Subrogation and Coordination of Benefits	-	-	381
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	33,819	33,819	130,165
50. Total Hospital, Medical, MH&SAS, (Lines 45 and 49)	198,098,365	198,098,365	771,739,538
Administration:			
51. Compensation	14,162,079	14,162,079	56,075,779
52. Marketing	-	-	-
53. Interest Expense	-	-	-
54. Premium Tax Expense	12,708,522	12,708,522	52,488,352
55. Occupancy, Depreciation, and Amortization	1,212,377	1,212,377	4,800,493
56. Other Administration - Write-Ins	7,285,147	7,285,147	28,846,069
57. Total Administration Expenses (Lines 51 to 56)	35,368,125	35,368,125	142,210,693
58. Total Expenses (Lines 50 and 57)	233,466,490	233,466,490	913,950,231
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	(682,358)	(682,358)	10,852,848
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	(1,275,732)	(1,275,732)	31,639,886
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Pay-for-Performance Bonus	15,000	15,000	-
0399. Total Other Revenues	15,000	15,000	-
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	2,759,083	2,759,083	9,571,627
2202. Bad Debt Expense	110,049	110,049	348,590
2203. Out of Area Claims Expense	-	-	57,193
2299. Total Other Medical and Hospital	2,869,132	2,869,132	9,977,410
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	2,577,052	2,577,052	10,204,025
5602. Outsourced Services	2,173,102	2,173,102	8,604,556
5603. Auditing, Actuarial, and Other Consulting	916,932	916,932	3,630,658
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	886,534	886,534	3,510,296
5605. Postage/Telephone	547,704	547,704	2,168,674
5606. Printing and Stationary	183,823	183,823	727,860
5699. Total Other Administration	7,285,147	7,285,147	28,846,069

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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	432,234,352	269,573,760	1,579,668,663
2. Net investment income	1,326,514	1,293,783	5,201,202
3. Miscellaneous income			
4. Total (Lines 1 to 3)	433,560,866	270,867,543	1,584,869,865
5. Benefit and loss related payments	341,750,036	328,440,541	1,376,697,004
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	62,020,544	51,026,931	250,119,152
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	2,761,407	2,199,361	25,211,047
10. Total (Lines 5 through 9)	406,531,987	381,666,833	1,652,027,203
11. Net cash from operations (Line 4 minus Line 10)	27,028,879	(110,799,290)	(67,157,338)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	32,036,665	37,961,380	169,827,029
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	811,996	26,149	35,289
12.8 Total investment proceeds (Lines 12.1 to 12.7)	32,848,661	37,987,529	169,862,318
13. Cost of investments acquired (long-term only):			
13.1 Bonds	36,579,067	39,464,502	195,561,830
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	19,242		796,685
13.7 Total investments acquired (Lines 13.1 to 13.6)	36,598,309	39,464,502	196,358,515
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(3,749,648)	(1,476,973)	(26,496,197)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	12,266,198	(12,513,156)	(3,370,903)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	12,266,198	(12,513,156)	(3,370,903)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	35,545,429	(124,789,419)	(97,024,438)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	184,519,385	281,543,823	281,543,823
19.2 End of period (Line 18 plus Line 19.1)	220,064,814	156,754,404	184,519,385

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

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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	403,278								403,278	
2. First Quarter	399,694								399,694	
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	1,202,086								1,202,086	
Total Member Ambulatory Encounters for Period:										
7. Physician	1,177,287								1,177,287	
8. Non-Physician	102,373								102,373	
9. Total	1,279,660								1,279,660	
10. Hospital Patient Days Incurred	78,512								78,512	
11. Number of Inpatient Admissions	11,494								11,494	
12. Health Premiums Written (a)	415,418,914								415,418,914	
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	415,418,914								415,418,914	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	342,824,791								342,824,791	
18. Amount Incurred for Provision of Health Care Services	346,271,058								346,271,058	
(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$	0								0	

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
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	32,714,709	944,342	67,453			33,726,504
0499999 Subtotals	32,714,709	944,342	67,453			33,726,504
0599999 Unreported claims and other claim reserves						129,994,388
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						163,720,892
0899999 Accrued Medical Incentive Pool And Bonus Amounts						1,278,588

UNDERWRITING AND INVESTMENT EXHIBIT**ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	132,731,712	210,020,750	19,638,542	144,082,350	152,370,254	159,627,541
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	132,731,712	210,020,750	19,638,542	144,082,350	152,370,254	159,627,541
10. Healthcare receivables (a)	414,419	660,336			414,419	
11. Other non-health						
12. Medical incentive pools and bonus amounts		72,329	850,917	427,671	850,917	850,917
13. Totals (Lines 9 - 10 + 11 + 12)	132,317,293	209,432,743	20,489,459	144,510,021	152,806,752	160,478,458

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

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

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

The TDCI allows a prescribed practice of admitting the most current 90 days of health care receivables per Tennessee Code Annotated § 56-32-112(a)(5)(D). This prescribed practice differs from the NAIC AP&P, which requires non-admission of health care receivables related to claim overpayments.

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

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

5. Investments

During the first three months of 2012, the Company recognized \$19,201 of other-than-temporary impairments (OTTI) on bond holdings.

D. Loan-Backed Securities

- (1) Prepayment assumptions are consistent with current market and economic conditions and are obtained from Bloomberg, bond portfolio managers and custodians. Fair values are obtained from custodians using actual market quotes, if available, or matrix pricing of securities with similar terms.
- (2) The amount of OTTI recognized on loan-backed securities during the three months ended March 31, 2012, is as follows:

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

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

Notes to Financial Statement

- (4) The aggregate amortized cost and fair value of loan-backed securities where fair value was less than amortized cost at March 31, 2012 and for which OTTI has not been recognized is as follows:

	At a Loss Less Than 12 Months	At a Loss 12 Months Or Longer	Total
Amortized Cost	\$ 8,757,441	\$ 0	\$ 8,757,441
Fair Value	8,694,196	0	8,694,196
Unrealized Loss	\$ 63,245	\$ 0	\$ 63,245

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

10. Information Concerning Parent, Subsidiaries and Affiliates

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

The members of BCBST's holding company group have not changed since December 31, 2011 (see Schedule Y on page Q15).

- B&C. The Company paid BCBST for services performed under administrative services and tax sharing agreements. For the three months ended March 31, the Company paid \$30,909,845 and \$45,062,756 in 2012 and 2011, respectively. Payments are net of reimbursements to the Parent for Cover Tennessee and other operations.

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

- C. For the three months ended March 31, 2012, the Company has no wash sales involving transactions for securities with an unrated NAIC designation or a designation of 3 or below (Statement of Statutory Accounting Principles (SSAP) No. 91, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*).

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

- A. ASO Plans:

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

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

	(1)	(2)	(3)
	ASO Uninsured Plans	Uninsured Portion of Partially - Insured Plans	Total ASO Plans
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 572,603	\$ 0	\$ 572,603
b. Total net other income (including interest paid to or received from plans)	0	0	0
c. Net gain from operations	\$ 572,603	\$ 0	\$ 572,603
d. Total claims payment volume	\$ 87,197,777	\$ 0	\$ 87,197,777

Notes to Financial Statement

20. Fair Value Measurement

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

C. The Company has categorized its assets and liabilities measured at fair value into the three level hierarchy based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Classification of the assets or liabilities within the fair value hierarchy is based on the lowest level of significant input to its valuation. The guidance defines the input levels as follows:

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

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

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

Transfers between levels, if any, are reflected as of the beginning of the reporting period of the transfer. There were no transfers between levels during the first quarter of 2012.

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

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

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

	March 31, 2012				
	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3
Bonds issued by U.S. government and government agencies and authorities	\$ 50,956,850	\$ 50,779,815	\$ 12,616,597	\$ 38,340,253	\$ 0
Bonds issued by foreign governments	5,286,955	5,277,394	0	5,286,955	0
Agency mortgage-backed securities	18,102,247	17,792,237	0	18,102,247	0
Commercial and non-agency mortgage-backed securities	6,068,824	5,976,078	0	6,068,824	0
Asset-backed securities	21,540,555	21,488,717	0	21,540,555	0
Investment grade corporate bonds	88,901,004	87,733,358	0	88,901,004	0
Total assets at fair value	<u>\$190,856,435</u>	<u>\$189,047,599</u>	<u>\$ 12,616,597</u>	<u>\$178,239,838</u>	<u>\$ 0</u>

Notes to Financial Statement

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

Level 1 Financial Assets – \$12,616,597 and \$19,794,669 at March 31, 2012 and December 31, 2011, respectively

Level 1 financial assets include certain actively-traded short-term investments and bonds. Unadjusted quoted prices for these securities are provided to the Company by independent pricing services.

Level 2 Financial Assets – \$178,239,838 and \$166,084,862 at March 31, 2012 and December 31, 2011, respectively

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

At March 31, 2012, the Company held commercial mortgage-backed securities with a fair value of \$6,068,824 and an average credit rating of AAA and asset-backed securities with a fair value of \$21,540,555 and an average credit rating of AAA.

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

- Approximately 16% of the underlying assets were guaranteed or had other credit enhancements and all of the securities were senior-level priority tranches.
- The weighted average maturity of the underlying loans was approximately 2.5 years and the weighted average duration of the securities was approximately 1.9 years.
- The underlying loans were geographically diversified.

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

- Approximately 16% of the underlying assets were guaranteed or had other credit enhancements.
- The weighted average stated maturity of the underlying loans was approximately 4.8 years and the weighted average duration of the securities was approximately 1.3 years.
- The absolute prepayment speed applied to approximately 61% of the asset-backed securities in the portfolio. The estimated weighted average absolute prepayment speed of these securities was approximately 1.3%.

Level 3 Financial Assets

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

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

Notes to Financial Statement**21. Other Items**

C. Other Disclosures

- 1) As of March 31, 2012, assets in the amount of \$35,167,385 were on deposit with government authorities or trustees. This amount exceeds the deposit amount required by the State of Tennessee of \$34,850,000.
- 2) Expenses are shown on the Statement of Revenue and Expenses net of administrative fees from ASO contracts. The following provides a comparison of expenses excluding ASO administrative fees and premium tax for the three months ended March 31, 2012 and 2011:

<u>Line#</u>	<u>Administrative Expenses:</u>	<u>Three Months Ended March 31, 2012</u>	<u>Three Months Ended March 31, 2011</u>	<u>% Change</u>
20	Claims adjustment expense	\$ 24,792,809	\$ 27,920,465	
21	General administrative expense	37,252,856	33,743,105	
	Total expense	62,045,665	61,663,570	
	Exclude: ASO administrative fees	13,321,586	11,315,152	
	Exclude: Premium tax	(28,355,055)	(28,628,183)	
	Expenses before ASO admin fees and excluding premium tax	<u>\$ 47,012,196</u>	<u>\$ 44,350,539</u>	6.0%

25. Change in Incurred Claims and Claim Adjustment Expenses

As of December 31, 2011, a reserve for unpaid insured claims and claim adjustment expenses, net of gross health care receivables, amounted to \$168,898,036. Through March 31, 2012, \$139,259,382 has been paid for expenses attributable to insured events of prior years. The re-estimation of reserves for unpaid insured claims and claim adjustment expenses for 2011 and prior based on the latest information known regarding individual claims, as well as the ongoing analysis of recent loss development trends, resulted in a favorable prior year development of \$7,671,706. The reserve related to prior years is \$21,966,948 as of March 31, 2012.

Other Notes

There have been no significant changes during the first three months of 2012 in notes not presented herein.

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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[] N/A[X]

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

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[] No[] N/A[X]
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.12/31/2011.....
- 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).02/23/2011.....
- 6.4 By what department or departments?
Tennessee Department of Commerce and Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[] No[] N/A[X]
- 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 response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 0

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:

GENERAL INTERROGATORIES (Continued)

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

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

Yes[] No[X]

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

Yes[] No[] N/A[X]

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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, 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 New York Mellon	One Mellon Center, Pittsburgh, PA 15258

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, brokers/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
Exempt	BlackRock Financial Management	40 East 52nd Street, New York, NY 10022
4161	Morgan Keegan	50 Front Street, Memphis, TN 38103
113972	Standish Asset Management BNY Mellon Center	201 Washington Street, Boston, MA 02108

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

PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent	..... 86.600%
1.2 A&H cost containment percent	..... 3.300%
1.3 A&H expense percent excluding cost containment expenses	..... 11.700%
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 balance of the funds administered as of the reporting date.	\$..... 0

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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)
			NONE			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**Current Year to Date - Allocated by States and Territories**

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	L			415,418,914				415,418,914	
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CN)	N								
58. Aggregate other alien (OT)	XXX								
59. Subtotal	XXX			415,418,914				415,418,914	
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. Total (Direct Business)	(a) 1			415,418,914				415,418,914	
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

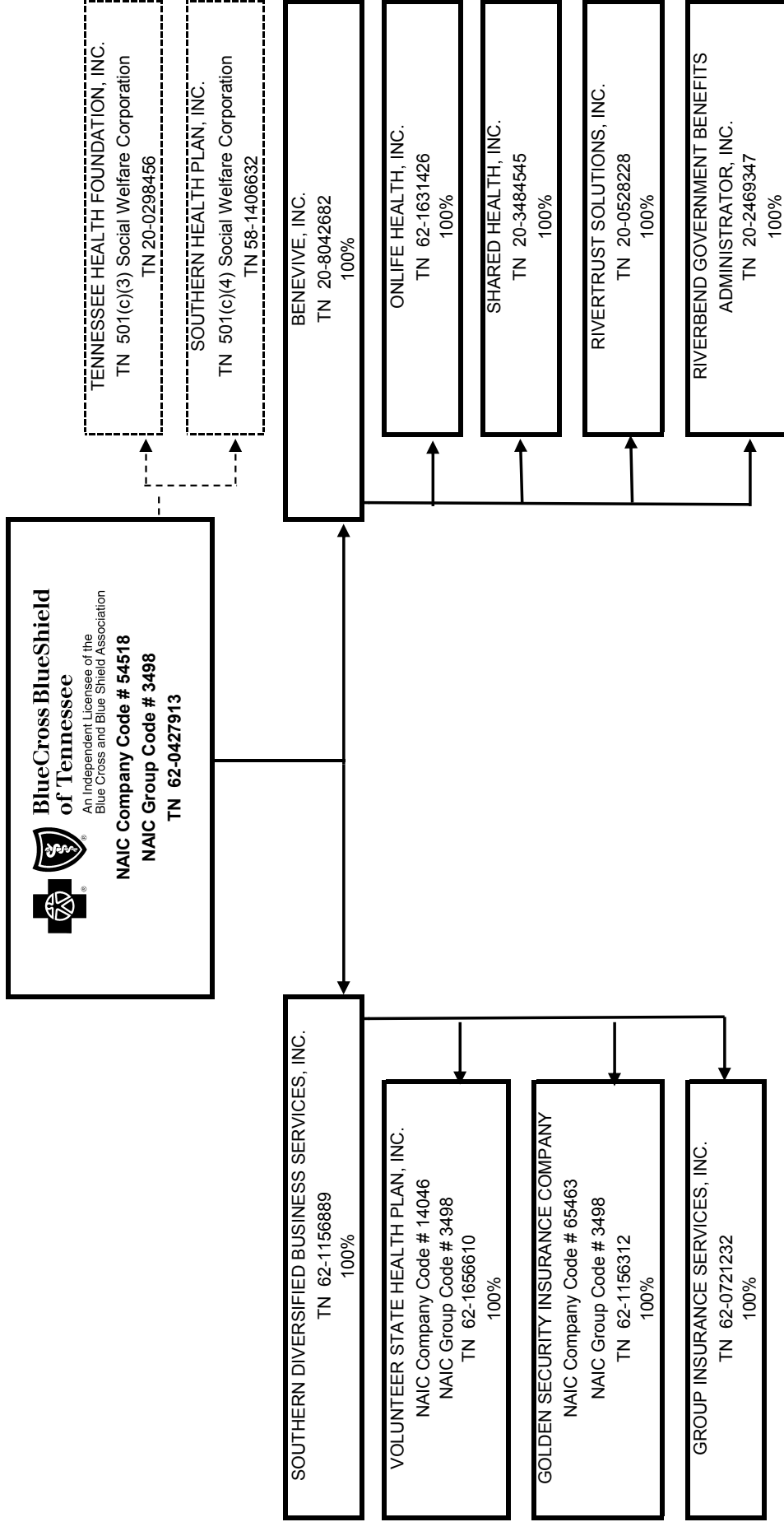
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

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

Asterisk

Explanation

0000001 BlueCross BlueShield of Tennessee, Inc. appoints the Board of Tennessee Health Foundation, Inc.

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

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

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



14046201236500001

2012

Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Liquidated Damages Accrual	16,850		16,850	29,700
2305. Due State of Tennessee				3,473
2306.				
2397. Summary of remaining write-ins for Line 23 (Lines 2304 through 2396)	16,850		16,850	33,173

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
0604.	XXX			
0605.	XXX			
0606.	XXX			
0607.	XXX			
0608.	XXX			
0609.	XXX			
0610.	XXX			
0611.	XXX			
0612.	XXX			
0613.	XXX			
0614.	XXX			
0615.	XXX			
0616.	XXX			
0617.	XXX			
0618.	XXX			
0619.	XXX			
0697. Summary of remaining write-ins for Line 6 (Lines 0604 through 0696)	XXX			
1404.				
1497. Summary of remaining write-ins for Line 14 (Lines 1404 through 1496)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
4704.			
4705.			
4706.			
4707.			
4708.			
4709.			
4710.			
4711.			
4712.			
4713.			
4714.			
4715.			
4716.			
4717.			
4718.			
4797. Summary of remaining write-ins for Line 47 (Lines 4704 through 4796)			

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
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 the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE**SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
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		
9. Total foreign exchange change in book value/recorded investment		
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)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
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)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE**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	184,988,386	160,847,485
2. Cost of bonds and stocks acquired	36,579,067	195,561,830
3. Accrual of discount	9,490	59,130
4. Unrealized valuation increase (decrease)	32,139	(12,684)
5. Total gain (loss) on disposals	56,119	605,250
6. Deduct consideration for bonds and stocks disposed of	32,036,665	169,827,029
7. Deduct amortization of premium	561,736	2,225,633
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	19,201	19,963
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	189,047,599	184,988,386
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	189,047,599	184,988,386

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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	306,705,800	936,259,865	895,264,499	(560,042)	347,141,124			306,705,800
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	306,705,800	936,259,865	895,264,499	(560,042)	347,141,124			306,705,800
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	306,705,800	936,259,865	895,264,499	(560,042)	347,141,124			306,705,800

(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 \$50,165,341; 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	115,891,513	X X X	115,930,450	48,378	8,309

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	86,557,761	277,567,425
2. Cost of short-term investments acquired	466,682,816	1,837,898,507
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(41)	
6. Deduct consideration received on disposals	437,328,287	2,028,889,700
7. Deduct amortization of premium	20,736	18,471
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)	115,891,513	86,557,761
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	115,891,513	86,557,761

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book Adjusted Carrying Value, December 31, prior year (Line 9, prior year)	
2.	Cost Paid/(Consideration Received) on additions	
3.	Unrealized Valuation increase/(decrease)	
4.	Total gain (loss) on termination recognized	
5.	Considerations received/(paid) on terminations	
6.	Amortization	
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item	
8.	Total foreign exchange change in Book/Adjusted Carrying value	
9.	Book/Adjusted Carrying Value at End of Current Period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)	
10.	Deduct nonadmitted assets	
11.	Statement value at end of current period (Line 9 minus Line 10)	

NONE

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

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

NONE

SCHEDULE DB - PART C - SECTION 1
Replication (Synthetic Asset) Transactions Open as of Current Statement Date

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

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

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

NONE

SCHEDULE DB - VERIFICATION

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

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

	Fair Value Check	
7. Part A, Section 1, Column 16	NONE	
8. Part B, Section 1, Column 13		
9. Total (Line 7 plus Line 8)		
10. Part D, Column 8		
11. Part D, Column 9		
12. Total (Line 9 minus Line 10 minus Line 11)		

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

SCHEDULE E - Verification
(Cash Equivalents)

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	35,159,655	.....
2.	Cost of cash equivalents acquired	432,997,982	73,186,787
3.	Accrual of discount .....	.....	.....
4.	Unrealized valuation increase (decrease) .....	.....	.....
5.	Total gain (loss) on disposals .....	.....	.....
6.	Deduct consideration received on disposals	425,955,625	38,027,132
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)	42,202,012	35,159,655
11.	Deduct total nonadmitted amounts .....	.....	.....
12.	Statement value at end of current period (Line 10 minus Line 11)	42,202,012	35,159,655

SCHEDULE A - PART 2
Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
NONE								
0399999 Totals								

SCHEDULE A - PART 3
Showing All Real Estate DISPOSED During the Final Year on "Sales Under Contract"

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

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

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

SCHEDULE B - PART 3
Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

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

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	3 Location		4 City	5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
NONE													
4199999 TOTALS													

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

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

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 - U.S. Governments									
912828KF6	U S TREASURY NOTE		02/14/2012	RBS SECURITIES INC, GREEN	X X X	2,012,010	1,950,000.00	16,875	1
912828NL0	U S TREASURY NOTE		03/09/2012	Goldman Sachs NY	X X X	1,670,943	1,600,000.00	5,934	1
912828SB7	U S TREASURY NOTE		03/01/2012	Morgan Stanley	X X X	1,358,730	1,360,000.00	290	1
912828NP1	UNITED STATES TREASURY NOTE		02/17/2012	Morgan Stanley	X X X	1,354,290	1,300,000.00	1,313	1
0599999	Subtotal - Bonds - U.S. Governments				X X X	6,395,973	6,210,000.00	24,412	X X X
Bonds - U.S. Special Revenue, Special Assessment									
3136FT4N6	FEDERAL NATL MTG ASSN		03/22/2012	VSHP - Pledged Assets	X X X	2,994,375	3,000,000.00		1
3137A0MF9	FHLMC MULTICLASS MTG 3688 CA		03/21/2012	Deutsche Bank Secs	X X X	920,436	891,733.32	2,167	1
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment				X X X	3,914,811	3,891,733.32	2,167	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
00206RBB7	AT&T INC		02/09/2012	Credit Suisse	X X X	1,998,580	2,000,000.00		1FE
06406HBN8	BANK OF NEW YORK MELLON		03/01/2012	Barclays Capital	X X X	526,970	500,000.00	2,196	1FE
11132DAB3	BROADCOM CORP		01/11/2012	Keybanc Capital Mkts	X X X	1,011,280	1,000,000.00	3,167	1FE
14313GAB3	CARMAX AUTO OWNER TRUST 1 A2		02/07/2012	JPMorgan Securities Inc,	X X X	699,952	700,000.00		1FE
15200WAA3	CENTERPOINT ENERGY TRANSI 1 A1		01/11/2012	Goldman Sachs NY	X X X	1,139,999	1,140,000.00		1FE
172967FH9	CITIBANK INC		01/27/2012	Morgan Stanley	X X X	422,236	400,000.00	2,344	1FE
172967FS5	CITIGROUP INC		01/31/2012	JPMorgan Securities Inc,	X X X	1,028,910	1,000,000.00	5,271	1FE
191216AW0	COCA-COLA CO/THE		03/09/2012	Deutsche Bank Secs	X X X	800,000	800,000.00		1FE
264399EM4	DUKE ENERGY CAROLINAS LLC		02/29/2012	Keybanc Capital Mkts	X X X	575,980	500,000.00	11,336	1FE
36962G5M2	GENERAL ELEC CAP CORP		02/03/2012	VARIOUS	X X X	2,531,239	2,500,000.00	2,252	1FE
38141EA74	GOLDMAN SACHS GROUP INC		01/25/2012	Goldman Sachs NY	X X X	655,447	650,000.00	11,958	1FE
38141GEA8	GOLDMAN SACHS GROUP INC SR NT		01/19/2012	Goldman Sachs NY	X X X	1,423,510	1,375,000.00	1,762	1FE
47787BAB1	JOHN DEERE OWNER TRUST A A2		02/22/2012	JPMorgan Securities Inc,	X X X	984,987	985,000.00		1FE
46625HCE8	JPMORGAN CHASE & CO		02/02/2012	VARIOUS	X X X	3,267,750	3,000,000.00	61,750	1FE
46625HHR4	JPMORGAN CHASE & CO		01/25/2012	JPMorgan Securities Inc,	X X X	489,821	471,000.00	1,601	1FE
59156RAW8	METLIFE INC		01/31/2012	Sitfel Nicolaus	X X X	669,065	650,000.00	7,590	1FE
61747YCT0	MORGAN STANLEY		02/01/2012	Morgan Stanley	X X X	1,203,722	1,225,000.00	11,035	1FE
64952WBE2	NEW YORK LIFE GLOBAL FDG		01/09/2012	Credit Suisse	X X X	1,523,353	1,525,000.00		1FE
65475UAB8	NISSAN AUTO RECEIVABLES O A 2		02/15/2012	JPMorgan Securities Inc,	X X X	749,931	750,000.00		1FE
693476BG7	PNC FUNDING CORP		01/19/2012	Keybanc Capital Mkts	X X X	500,131	458,000.00	6,651	1FE
693476BH5	PNC FUNDING CORP		01/26/2012	Keybanc Capital Mkts	X X X	799,135	750,000.00	13,015	1FE
74254PYF3	PRINCIPAL LIFE INCOME FUNDING		03/07/2012	Goldman Sachs NY	X X X	555,510	500,000.00	10,406	1FE
742718DX4	PROCTER & GAMBLE CO/THE		02/01/2012	Goldman Sachs NY	X X X	600,000	600,000.00		1FE
755111BV2	RAYTHEON COMPANY		03/01/2012	U S Bancorp	X X X	612,402	600,000.00	2,100	1FE
959802AJ8	WESTERN UNION CO/THE		03/20/2012	VARIOUS	X X X	1,498,375	1,359,000.00	4,120	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	26,268,285	25,438,000.00	158,554	X X X
8399997	Subtotal - Bonds - Part 3				X X X	36,579,069	35,539,733.32	185,133	X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	36,579,069	35,539,733.32	185,133	X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X

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)
9999999 Total - Bonds, Preferred and Common Stocks					XXXX	36,579,069	XXXX	185,133	XXXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks 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	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 Years (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (e)	
Bonds - U.S. Governments																					
313375BT3	FEDERAL HOME LN BK CONS BD	02/28/2012	CALLED @ 100.00000000	XXX	2,500,000	2,500,000.00	2,500,000	2,500,000						2,500,000					1,750	09/07/2012	1
3133XXBJ5	FEDERAL HOME LN BK CONS BD	03/09/2012	CALLED @ 100.00000000	XXX	3,000,000	3,026,190	3,002,510	3,002,510	(2,510)	(2,510)		(2,510)		3,000,000					42,750	03/09/2015	1
36211V6Q8	GNMA POOL #0524779	03/15/2012	PRINCIPAL RECEIPT	XXX	45,652.32	45,652.32	47,433	47,433	(1,781)	(1,781)		(1,781)		46,652					560	01/15/2024	1
36295P4L3	GNMA POOL #0676827	03/15/2012	PRINCIPAL RECEIPT	XXX	1,758	1,837	1,837	1,837	(78)	(78)		(78)		1,758					15	05/15/2023	1
36296E5H5	GNMA POOL #0689448	03/15/2012	PRINCIPAL RECEIPT	XXX	2,844	2,844.03	2,970	2,954	(110)	(110)		(110)		2,844					23	07/15/2023	1
36297A3K7	GNMA POOL #0706502	03/15/2012	PRINCIPAL RECEIPT	XXX	1,584	1,584.18	1,646	1,646	(62)	(62)		(62)		1,584					13	01/15/2024	1
36297B4P3	GNMA POOL #0707430	03/15/2012	PRINCIPAL RECEIPT	XXX	4,496	4,495.95	4,671	4,671	(175)	(175)		(175)		4,496					37	01/15/2024	1
36297CV73	GNMA POOL #0708126	03/15/2012	PRINCIPAL RECEIPT	XXX	2,317	2,317.14	2,422	2,422	(105)	(105)		(105)		2,317					19	01/15/2024	1
36374J6Y7	GNMA GTD REMIC PIT 04-103 CD	03/16/2012	PRINCIPAL RECEIPT	XXX	97,472	97,471.60	102,254	102,254	(4,631)	(4,631)		(4,631)		97,472					443	12/16/2031	1
36225EYZZ	GNMA IPOOL #0082431	03/01/2012	PRINCIPAL RECEIPT	XXX	24,067	24,066.99	24,428	24,428	(347)	(347)		(347)		24,067					102	10/20/2039	1
36210B4N2	GNMA POOL #0487829	03/15/2012	PRINCIPAL RECEIPT	XXX	33,864	33,864.34	35,039	34,979	(1,125)	(1,125)		(1,125)		33,864					294	04/15/2024	1
36210B4R3	GNMA POOL #0487832	03/15/2012	PRINCIPAL RECEIPT	XXX	2,917	2,917.43	3,049	3,049	(116)	(116)		(116)		2,917					24	04/15/2024	1
36374C3K3	GNMA REMIC PIT 03-85 CL VB	03/01/2012	PRINCIPAL RECEIPT	XXX	197,966	197,965.63	209,704	208,812	(860)	(860)		(860)		197,966					1,006	07/20/2024	1
912828KFB	U.S. TREASURY NOTE	03/05/2012	Goldman Sachs NY	XXX	1,623,956	1,610,000.00	1,623,024	1,623,024	(575)	(575)		(575)		1,623,956		185	185	9,197	02/28/2014	1	
912828LU0	U.S. TREASURY NOTE	01/31/2012	Goldman Sachs NY	XXX	900,806	900,000.00	900,108	900,108	(5)	(5)		(5)		900,806		3,060	3,060	5,545	08/15/2013	1	
912828RQ5	U.S. TREASURY NOTE	01/19/2012	Salomon Brothers	XXX	1,376,177	1,375,000.00	1,373,125	1,373,125	31	31		31		1,373,226		2,951	2,951	710	10/31/2013	1	
912828RVA	U.S. TREASURY NOTE	02/08/2012	Goldman Sachs NY	XXX	1,794,938	1,800,000.00	1,794,451	1,794,451	192	192		192		1,794,709		229	229	689	11/15/2014	1	
912828S7	U.S. TREASURY NOTE	03/12/2012	VARIOUS	XXX	224,784	225,000.00	224,790	224,790	3	3		3		224,931		(8)	(8)	63	01/31/2014	1	
912828Z1	U.S. TREASURY NOTES	02/01/2012	SBC Capital Mkts	XXX	1,156,586	1,100,000.00	1,169,762	1,154,558	(1,577)	(1,577)		(1,577)		1,152,982		3,605	3,605	4,087	11/30/2014	1	
912828R86	U.S. TREASURY NOTES	02/01/2012	Deutsche Bank Secs	XXX	675,604	675,000.00	678,562	678,161	(262)	(262)		(262)		677,889		(2,894)	(2,894)	2,031	08/15/2014	1	
912828R87	U.S. TREASURY NT	02/03/2012	Goldman Sachs NY	XXX	3,651,641	3,650,000.00	3,650,227	3,650,227	(11)	(11)		(11)		3,650,216		1,625	1,625	1,685	11/30/2013	1	
912828RL6	U.S. TREASURY NOTE	02/07/2012	Goldman Sachs NY	XXX	1,155,701	1,150,000.00	1,153,795	1,153,602	(130)	(130)		(130)		1,153,472		2,229	2,229	1,822	10/15/2014	1	
0599999 Subtotal	Bonds - U.S. Governments			XXX	19,454,856	19,349,927.87	19,500,965	18,262,633	(25,068)	(25,068)		(25,068)		19,442,567		12,292	12,292	73,675	XXX	XXX	
Bonds - U.S. Special Revenue, Special Assessment																					
31342A5L9	FHLMC POOL #76-0851	03/01/2012	PRINCIPAL RECEIPT	XXX	21,086	21,085.93	21,771	21,740	(654)	(654)		(654)		21,086					55	09/01/2033	1
3128CUTB2	FHLMC POOL #G3-0546	03/15/2012	PRINCIPAL RECEIPT	XXX	61,894	61,894.25	68,542	68,542	(6,648)	(6,648)		(6,648)		61,894					421	03/01/2026	1
3128RVS58	FHLMC POOL #J-5449	03/01/2012	PRINCIPAL RECEIPT	XXX	132,877	132,877.02	138,296	138,148	(5,271)	(5,271)		(5,271)		132,877					461	06/01/2026	1
31394YR63	FHLMC MULTICLASS CTF5 2802 VE	03/15/2012	PRINCIPAL RECEIPT	XXX	12,932	12,932.41	13,745	13,442	(510)	(510)		(510)		12,932					119	04/15/2015	1
31395LXB2	FHLMC MULTICLASS CTF5 2916 YG	03/15/2012	PRINCIPAL RECEIPT	XXX	298,251	298,250.53	303,688	303,688	(5,437)	(5,437)		(5,437)		298,251					2,655	07/15/2030	1
31393RRD4	FHLMC MULTICLASS MTG	03/15/2012	PRINCIPAL RECEIPT	XXX	48,193	48,192.93	50,648	50,087	(1,894)	(1,894)		(1,894)		48,193					363	01/15/2018	1
31393APM4	FHLMC MULTICLASS MTG 2557 WD	03/15/2012	PRINCIPAL RECEIPT	XXX	71,600	71,599.71	74,822	73,113	(1,513)	(1,513)		(1,513)		71,600					593	08/15/2016	1
31394NAB4	FHLMC MULTICLASS MTG 2723 EA	03/15/2012	PRINCIPAL RECEIPT	XXX	65,995	65,995.20	67,033	67,033	(1,037)	(1,037)		(1,037)		65,995					524	01/15/2018	1
31397CVB9	FHLMC MULTICLASS MTG 3263 A	03/15/2012	PRINCIPAL RECEIPT	XXX	42,250	42,250.29	44,600	44,122	(1,872)	(1,872)		(1,872)		42,250					347	08/15/2020	1
31342AZE2	FHLMC POOL #78-0741	03/01/2012	PRINCIPAL RECEIPT	XXX	19,233	19,232.96	19,843	19,843	(680)	(680)		(680)		19,233					24	07/01/2033	1
31395LAD3	FHLMC REMIC SERIES 2924	03/15/2012	PRINCIPAL RECEIPT	XXX	48,987	48,987.26	51,284	50,974	(1,987)	(1,987)		(1,987)		48,987					382	02/15/2020	1
31402C3E8	FNMA POOL #0725445	03/01/2012	PRINCIPAL RECEIPT	XXX	36,643	36,642.86	38,687	38,347	(1,704)	(1,704)		(1,704)		36,643					187	05/01/2019	1
31402Q8K2	FNMA POOL #0735374	03/01/2012	PRINCIPAL RECEIPT	XXX	103,846	103,845.66	111,180	110,949	(3,070)	(3,070)		(3,070)		103,846					536	04/01/2020	1
31403CVJ7	FNMA POOL #0745017	03/01/2012	PRINCIPAL RECEIPT	XXX	64,121	64,120.77	67,990	67,190	(3,070)	(3,070)		(3,070)		64,121					200	04/01/2019	1
31404WTV8	FNMA POOL #0749599	03/01/2012	PRINCIPAL RECEIPT	XXX	46,091	46,090.99	48,662	48,233	(2,142)	(2,142)		(2,142)		46,091					200	04/01/2019	1
31410K6V5	FNMA POOL #0809664	03/01/2012	PRINCIPAL RECEIPT	XXX	43,604	43,603.87	46,036	45,634	(2,031)	(2,031)		(2,031)		43,604					215	05/01/2019	1
31410K6V6	FNMA POOL #0809185	03/01/2012	PRINCIPAL RECEIPT	XXX	49,965	49,965.16	52,916	52,553	(2,588)	(2,588)		(2,588)		49,965					285	10/01/2021	1
31416BAM7	FNMA POOL #0890187	03/01/2012	PRINCIPAL RECEIPT	XXX	34,232	34,232.36	36,340	36,053	(1,821)	(1,821)		(1,821)		34,232					193	12/01/2020	1
31416BAP0	FNMA POOL #0995528	03/01/2012	PRINCIPAL RECEIPT	XXX	24,139	24,138.87	25,072	25,072	(873)	(873)		(873)		24,139					147	12/01/2021	1
31418MAZ7	FNMA POOL #0A08837	03/01/2012	PRINCIPAL RECEIPT	XXX	20,571	20,571.31	21,452	21,403	(325)	(325)		(325)		20,571					127	12/01/2021	1
31394CPN6	FNMA GTD REMIC PIT 05-10 A1	03/01/2012	PRINCIPAL RECEIPT	XXX	67,445	67,445.14	70,900	70,800	(3,355)	(3,355)		(3,355)		67,445					341	03/01/2023	1
31397N3Q6	FNMA GTD REMIC PIT 09-43 GJ	03/01/2012	PRINCIPAL RECEIPT	XXX	25,103	25,103.17	25,428	25,428	(325)	(325)		(325)		25,103					150	01/25/2023	1
31396QZV2	FNMA GTD REMIC PIT 09-43 GJ	03/01/2012	PRINCIPAL RECEIPT	XXX	40,403	40,402.79	42,069	41,118	(715)	(715)		(715)		40,403					178	06/25/2024	1
31416BRZ	FNMA POOL #0995165	03/25/2012	PRINCIPAL RECEIPT	XXX	49,207	49,206.78	51,146	50,480	(1,273)	(1,273)		(1,273)		49,207					224	08/25/2019	1
784422AA5	SIC STUDENT LN 07 2 CL A-1	02/15/2012	PRINCIPAL RECEIPT	XXX	40,590	40,589.69	42,465	42,251	(1,661)	(1,661)		(1,661)		40,590					20	05/15/2018	1
83149EAC1	SIC STUDENT LN 06 5 CL A3	01/25/2012	PRINCIPAL RECEIPT	XXX	51,031	51,030.73	49,269	50,776	255	255		255		51,031					58	10/25/2019	1
78442GHP4	SIC STUDENT LN TR 03-8 CL A-4	01/15/2012	PRINCIPAL RECEIPT	XXX	7,662	7,662.181	7,379	7,415	(247)	(247)		(247)		7,662					14	03/15/2019	1
7																					

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	11 Change in Book/Adjusted Carrying Value				15 Total Foreign Exchange Change in B./A.C.V.	16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)								
14312VAD5	CARMAX AUTO OWNER 09-1 CL A-3		02/15/2012	VARIOUS	XXX	34,190	34,190.35	34,787	34,785	(433)		(433)		34,352		(162)	(162)	150	03/15/2013	IFE	
172967FH9	CITIBANK INC		03/06/2012	Morgan Stanley	XXX	421,064	400,000.00	422,236	421,064	(584)		(584)		421,652		(588)	(588)	4,281	12/15/2015	IFE	
17308BAH1	CITIBANK OMNI MASTER TRU A8 A8		01/11/2012	Morgan Stanley	XXX	704,211	700,000.00	708,750	701,413	(211)		(211)		701,201		3,010	3,010	1,341	05/15/2016	IFE	
172967EZ0	CITIGROUP INC		02/16/2012	Nomura Secs NY	XXX	856,152	800,000.00	846,208	845,383	(1,946)		(1,946)		843,437		12,715	12,715	15,522	10/15/2014	IFE	
172967FSS	CITIGROUP INC		03/07/2012	First Boston Corp	XXX	1,036,050	1,000,000.00	1,028,910	1,028,910	(615)		(615)		1,028,295		7,755	7,755	9,553	06/15/2016	IFE	
22544QAB5	CREDIT SUISSE MORTGAGE C C3 A2		03/16/2012	PRINCIPAL RECEIPT	XXX	339,712	339,711.55	348,311	347,848	(8,137)		(8,137)		339,712		4,820	4,820	4,820	06/15/2039	1AM	
34529EAC4	FORDO 2009-B A3		03/15/2012	PRINCIPAL RECEIPT	XXX	94,580	94,580.48	95,246	95,311	(730)		(730)		94,580		437	437	437	08/15/2013	IFE	
43812UAD3	FORDO 2009-2 A4		02/08/2012	PRINCIPAL RECEIPT	XXX	214,315	214,315.15	215,722	215,769	(1,454)		(1,454)		214,315		773	773	773	10/15/2013	IFE	
43813TAB9	HONDA AUTO RECEIVABLES 01W 1 A2		03/15/2012	Chemical Securities	XXX	662,213	650,000.00	694,891	654,464	(646)		(646)		653,619		8,594	8,594	4,319	01/15/2013	IFE	
43813BAC3	HONDA AUTO RECEIVABLES 0W 3 A3		03/21/2012	PRINCIPAL RECEIPT	XXX	307,864	307,864.25	308,081	308,000	(136)		(136)		307,864		334	334	334	06/17/2013	IFE	
57629WBH2	MASSMUTUAL GLOBAL FUNDIN		03/12/2012	PRINCIPAL RECEIPT	XXX	29,403	29,403.07	29,401	29,400	3		3		29,403		51	51	51	04/21/2014	IFE	
59029HCP5	MERRILL LYNCH MORTGAGE KEY1 A3		03/12/2012	PRINCIPAL RECEIPT	XXX	1,268,825	1,250,000.00	1,286,372	1,264,628	(625)		(625)		1,263,803		5,022	5,022	22,405	07/16/2012	IFE	
61747YCT0	MORGAN STANLEY		03/07/2012	VARIOUS	XXX	76,807	76,806.69	79,010	79,010	(2,204)		(2,204)		76,807		946	946	946	11/22/2035	IFE	
64953BAP3	NEW YORK LIFE GLOBAL FDG 144A		01/09/2012	Bank of America	XXX	1,194,428	1,225,000.00	1,203,722	481	481		481		1,204,203		(9,775)	(9,775)	14,886	11/02/2015	IFE	
743315AK3	PROGRESSIVE CORP/THE		01/15/2012	MATURITY	XXX	403,549	385,000.00	411,973	396,992	(193)		(193)		396,799		6,750	6,750	3,133	05/09/2013	IFE	
807057AA4	SCHOLAR FUNDING TRUST 2011-A A		01/28/2012	PRINCIPAL RECEIPT	XXX	1,500,000	1,500,000.00	1,581,435	1,503,230	(3,230)		(3,230)		1,500,000		47,813	47,813	47,813	01/15/2012	IFE	
88166BAA6	TEVA PHARMA FIN III LLC		02/07/2012	Merrill Lynch	XXX	17,920	17,920.13	17,566	17,897	23		23		17,920		3,227	3,227	2,098	04/28/2036	IFE	
92867DAB6	VOLKSWAGEN AUTO LOAN ENHA 1 A2		03/20/2012	PRINCIPAL RECEIPT	XXX	93,059	95,000.00	94,069	94,785	47		47		94,832		174	174	174	12/20/2013	IFE	
98158NAB9	WORLD OMNI AUTOMOBILE LE A A2		03/15/2012	PRINCIPAL RECEIPT	XXX	163,993	163,992.57	164,122	163,900	(130)		(130)		163,993		131,683	131,683	178	10/15/2013	IFE	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					XXX	10,985,377	10,827,688.42	11,144,026	8,309,159	(22,670)		(22,670)		10,941,550		43,827	43,827	145,608	..	XXX	
8399997 Subtotal - Bonds - Part 4					XXX	32,036,664	31,774,026.44	32,304,042	28,224,166	(103,683)		(103,683)		31,980,548		56,119	56,119	228,729	..	XXX	
8399998 Summary Item from Part 5 for Bonds (NA to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX		XXX		XXX		XXX	XXX	XXX	..	XXX	
8399999 Subtotal - Bonds					XXX	32,036,664	31,774,026.44	32,304,042	28,224,166	(103,683)		(103,683)		31,980,548		56,119	56,119	228,729	..	XXX	
8999998 Summary Item from Part 5 for Preferred Stocks (NA to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX		XXX		XXX		XXX	XXX	XXX	..	XXX	
9799998 Summary Item from Part 5 for Common Stocks (NA to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX		XXX		XXX		XXX	XXX	XXX	..	XXX	
9899999 Subtotal - Preferred and Common Stocks					XXX	XXX	XXX	XXX	XXX	XXX		XXX		XXX		XXX	XXX	XXX	..	XXX	
9999999 Total - Bonds, Preferred and Common Stocks					XXX	32,036,664	31,774,026.44	32,304,042	28,224,166	(103,683)		(103,683)		31,980,548		56,119	56,119	228,729	..	XXX	

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

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Items Hedged or Used for Income Generation	Schedule/ Exhibit Identifier	Type(s) of Risk(s)	Exchange or Counterparty	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Indexed Received (Paid)	Prior Year Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B/A.C.V.	Current Year's (Amortization) Accretion	Adjustment to Carrying Value of Hedged Item	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Quarter end (a)
144999 Totals																						
														XXX							XXX	XXX

(a)	NONE	
1	Hedge Code	
Code		
0000		

SCHEDULE DB - PART B - SECTION 1
Future Contracts Open as of the Current Statement Date

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

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

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

SCHEDULE DB - PART D

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

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

SCHEDULE DL - PART 1 SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

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

General Interrogatories:

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

SCHEDULE DL - PART 2 SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

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

General Interrogatories:

1. Total activity for the year to date Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
2. Average balance for the year to date Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
3. Grand Total Schedule DL Part 1 and Part 2 Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0

SCHEDULE E - PART 1 - CASH**Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
open depositories									
US Bank	150 4th Avenue North, Nashville, TN 37219					52,350,010	59,582,951	58,833,826	X X X
US Bank	150 4th Avenue North, Nashville, TN 37219					10,547,879	6,127,334	5,800,078	X X X
US Bank	150 4th Avenue North, Nashville, TN 37219					2,309,706	2,318,360	2,256,736	X X X
Regions Bank	601 Market Street, Chattanooga, TN 37402					1,023,846	1,027,197	1,033,710	X X X
US Bank	150 4th Avenue North, Nashville, TN 37219					(4,161,732)	(3,020,729)	(6,171,707)	X X X
0199998 Deposits in	135 depositories that do not exceed the allowable limit in any one depository - open depositories	X X X	X X X	135		1,398,698	307,878	218,646	X X X
0199999 Totals - Open Depositories		X X X	X X X	135		63,468,407	66,342,991	61,971,289	X X X
0299998 Deposits in	0 depositories that do not exceed the allowable limit in any one depository - suspended depositories	X X X	X X X						X X X
0299999 Totals - Suspended Depositories		X X X	X X X						X X X
0399999 Total Cash On Deposit		X X X	X X X	135		63,468,407	66,342,991	61,971,289	X X X
0499999 Cash in Company's Office		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash		X X X	X X X	135		63,468,407	66,342,991	61,971,289	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
U.S. Governments - Issuer Obligations							
FEDERAL HOME LN BK CONS DISC		10/11/2011	0.000	10/04/2012	1,996,410	1,727	
FEDERAL HOME LN BK CONS DISC		11/16/2011	0.000	05/16/2012	4,998,231	1,327	
FEDERAL HOME LN BK CONS DISC		10/13/2011	0.000	06/01/2012	7,645,070	3,632	
FEDERAL NATL MTG ASSN DISC NT		01/20/2012	0.000	06/18/2012	2,299,329	322	
0199999 Subtotals - U.S. Governments - Issuer Obligations					16,939,040	7,008	
0599999 Subtotals - U.S. Governments					16,939,040	7,008	
U.S. Special Revenue, Special Assessment - Issuer Obligations							
FEDERAL HOME LN BK CONS DISC		03/30/2012	0.000	04/02/2012	4,110,473		
2599999 Subtotals - U.S. Special Revenue, Special Assessment - Issuer Obligations					4,110,473		
3199999 Subtotals - U.S. Special Revenue, Special Assessment					4,110,473		
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations							
CRC FDG LLC DISC		01/25/2012	0.000	04/24/2012	2,997,975	1,501	
CROWN POINT CAP DISC		03/05/2012	0.000	05/09/2012	2,298,090	776	
GOVCO LLC DISC		01/06/2012	0.000	04/09/2012	2,298,258	1,592	
MARKET STREET FDG DISC		01/05/2012	0.000	04/18/2012	2,298,472	1,276	
METLIFE SHORT DISC		02/08/2012	0.000	06/05/2012	2,297,663	1,058	
PNC BANK N A DISC		01/26/2012	0.000	04/26/2012	2,298,678	955	
PROCTOR & GAMBLE DISC		02/03/2012	0.000	05/21/2012	2,019,411	316	
TORONTO DOM HLDGS DISC		09/29/2011	0.000	04/04/2012	998,160	1,810	
SALI CAT 1 REPO		03/30/2012	0.070	04/02/2012	3,645,792	14	
3299999 Subtotals - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations					21,152,499	9,298	
3899999 Subtotals - Industrial & Miscellaneous (Unaffiliated)					21,152,499	9,298	
5599999 Subtotals - Parent, Subsidiaries and Affiliates Bonds							
7799999 Subtotals - Issuer Obligations					42,202,012	16,306	
8399999 Subtotals - Bonds					42,202,012	16,306	
8499999 Sweep Accounts							
8599999 Other Cash Equivalents							
8699999 Total - Cash Equivalents					42,202,012	16,306	



MEDICARE PART D COVERAGE SUPPLEMENT

Net of Reinsurance

NAIC Group Code: 3498

NAIC Company Code: 14046

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected		XXX		XXX	
2. Earned Premiums		XXX		XXX	XXX
3. Claims Paid		XXX		XXX	
4. Claims Incurred		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	NONE		XXX		
6. Aggregate Policy Reserves - change				XXX	XXX
7. Expenses Paid				XXX	
8. Expenses Incurred		XXX		XXX	XXX
9. Underwriting Gain or Loss		XXX		XXX	XXX
10. Cash Flow Results	XXX	XXX	XXX	XXX	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.....0 due from CMS or \$.....0 due to CMS

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EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of debtor	2 1 - 30 days	3 31 - 60 days	4 61 - 90 days	5 Over 90 days	6 Nonadmitted	7 Admitted
0199999 Total Individuals.....						
0299999 Total group.....						
0399999 Premiums due and unpaid from Medicare entities.....						
Medicaid Entities:	NONE					
0499997 Subtotal - Medicaid Entities.....	-	-	-	-	-	-
0499999 Premiums due and unpaid from Medicaid entities.....	-	-	-	-	-	-
0599999 Accident and health premiums due and unpaid (Page 2, Line 13).....	-	-	-	-	-	-

EXHIBIT 3 - HEALTH CARE RECEIVABLES

	1 Name of debtor	2 1 - 30 days	3 31 - 60 days	4 61 - 90 days	5 Over 90 days	6 Nonadmitted	7 Admitted
0199998	Pharmaceutical Rebate Receivables - Not Individually Listed.....						
0199999	Subtotal - Pharmaceutical Rebate Receivables.....						
	Provider Receivables	-	-	-	1,074,755	1,074,755	-
0299998	Claim Overpayment Receivables - Not Individually Listed.....	-	-	-	1,074,755	1,074,755	-
0299999	Subtotal - Claim Overpayment Receivables.....						
	Loans and Advances to Providers						
0399998	Loans and Advances to Providers - Not Individually Listed.....						
0399999	Subtotal - Loans and Advances to Providers.....						
0499998	Capitation Arrangement Receivables - Not Individually Listed.....						
0499999	Subtotal - Capitation Arrangement Receivables.....						
0599998	Risk Sharing Receivables - Not Individually Listed.....						
0599999	Subtotal - Risk Sharing Receivables.....						
	Other Receivables						
	Provider receivables.....						
0699998	Other Receivables - Not Individually Listed.....						
0699999	Subtotal - Other Receivables.....	-	-	-	-	-	-
0799999	Gross health care receivables.....	-	-	-	1,074,755	1,074,755	-

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
Individually listed receivables							
NONE							
0199999 Total - individually listed receivables							
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable							

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

Affiliate	2 Description	3 Amount	5	
			4 Current	Non-Current
BlueCross BlueShield of Tennessee	Administrative Expense offset and Federal Income Tax Expense	15,777,482	15,777,482	-
0199999 Total - Individually listed payables	.....XXX	15,777,482	15,777,482	-
0299999 Payables not individually listed	.....XXX	.....	.....	.....
0399999 Total gross payables	.....XXX	15,777,482	15,777,482	-



1 Cameron Hill Circle
Chattanooga, TN 37402-2555
BCBST.com



Via FedEx USA Airbill # 8770 6186 8301

May 15, 2012

Ms. Lisa Jordan
Department of Commerce and Insurance
TennCareSM Division
500 James Robertson Parkway - Suite 750
Nashville, TN 37243-1169

RE: NAIC 1st Quarter 2012 Statement for Volunteer State Health Plan, Inc. (VSHP)

Dear Ms. Jordan:

Enclosed is the NAIC 1st Quarter 2012 Statement for Volunteer State Health Plan, Inc. This report is a combination of all of the VSHP insured TennCare business. TennCare Select and the Stabilization Plan have been treated as ASO business throughout the report. Supplemental statements of revenues and expenses for TennCare Select, BlueCare West, and BlueCare East appear on pages 5.1, 5.2, and 5.3, respectively.

Enclosed are reconciliations of the Statement of Revenue and Expense to current contract supplemental exhibits.

Please feel free to call me (423-535-6773) if you have any questions.

Sincerely,

Ann Tate
Coordinator, Subsidiary Accounting

VSHP March 2012 YTD

	<u>TennCare Select Supplement 5.1</u>	<u>BlueCare West Supplement 5.2</u>	<u>BlueCare East Supplement 5.3</u>	<u>Other*</u>	<u>Total</u>
TennCare Revenue	\$ 106,368,010	\$ 184,329,878	\$ 231,049,037	\$ (120,212)	\$ 521,626,713
Investment Income		363,539	444,363	14,023	821,925
Other Revenues		25,000	15,000		40,000
Total Revenues	<u>106,368,010</u>	<u>184,718,417</u>	<u>231,508,400</u>	<u>(106,189)</u>	<u>522,488,638</u>
Claims Expenses	93,117,031	148,178,412	198,098,365	(119,320)	439,274,488
Administrative Expenses	12,491,098	27,250,146	35,368,125	180,664	75,290,033
Pre-Tax Gain/(Loss)	<u>759,881</u>	<u>9,289,859</u>	<u>(1,958,090)</u>	<u>(167,533)</u>	<u>7,924,117</u>
Federal Income Tax	264,804	3,237,343	(682,358)	(58,382)	2,761,407
Net Gain/(Loss)	<u><u>\$ 495,077</u></u>	<u><u>\$ 6,052,516</u></u>	<u><u>\$ (1,275,732)</u></u>	<u><u>\$ (109,151)</u></u>	<u><u>\$ 5,162,710</u></u>

*Reflects activity for contracts that have ended

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US Airbill

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1 From Please print and press hard.
 Date **5-15-12** Sender's FedEx Account Number **0374-0057-2111**
 Sender's Name **Jared Zeman** Phone **429-575-6403**
CINDY CAPSHART
 Company **BLUECROSS BLUESHIELD OF TN**
 Address **1 CAMERON HILL CIR**
 City **CHATTANOOGA** State **TN** ZIP **37402-0002**

2 Your Internal Billing Reference
 For 36 characters, see page 20, front.

OPTIONAL **CC 700**

3 To
 Recipient's Name **Ms. Lisa Jordan** Phone ()
 Company **Dept of Commerce + Insurance**
 Address **Tenafire Division**
 We cannot deliver to P.O. boxes or P.O. ZIP codes. Desk/Place/Room
 Address **500 James Robertson Pkwy Ste 750**
 City **Nashville** State **TN** ZIP **37243-1609**

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4 Express Package Service *To meet location. Packages up to 150 lbs.
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FedEx Standard Overnight
 Next business afternoon. *Saturday Delivery NOT available.

FedEx 2Day A.M.
 Second business morning. *Saturday Delivery NOT available.

FedEx 2Day
 Second business afternoon. *Thursday shipments will be delivered on Friday unless SATURDAY Delivery is selected.

FedEx Express Saver
 Third business day. *Saturday Delivery NOT available.

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SATURDAY Delivery
 FedEx Standard Overnight, FedEx 2Day A.M. or FedEx Express Saver.

No Signature Required
 Package may be left without obtaining a signature for delivery.

Direct Signature
 Someone at recipient's address may sign for delivery. Fee applies.

Indirect Signature
 If no one is available at recipient's address, someone at a neighboring address may sign for delivery for residential deliveries only. Fee applies.

Does this shipment contain dangerous goods?
 No Yes Yes per regulated shipping instructions Yes Shipper's Hazardous Instructions Dry Ice Dry Ice 3.0, 1.4G Cargo Aircraft Only

7 Payment Bill to: Enter FedEx Acct. No. or Credit Card No. below.

Recipient Third Party Credit Card Cash/Check

Total Packages Total Weight Total Declared Value*

Total Packages _____ Total Weight _____ Total Declared Value* \$ _____

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