

QUARTERLY STATEMENT

OF THE



OF

**Pittsburgh**

IN THE COMMONWEALTH OF

**Pennsylvania**

TO THE

**Pennsylvania Insurance Department**

FOR THE PERIOD ENDED  
SEPTEMBER 30, 2012

2012

HEALTH

2012



# HEALTH QUARTERLY STATEMENT

As of September 30, 2012  
of the Condition and Affairs of the

## Highmark Senior Resources Inc.

NAIC Group Code..... 00812 , 00812 (Current Period) (Prior Period)	NAIC Company Code..... 10131	Employer's ID Number..... 20-2353206
Organized under the Laws of Pennsylvania	State of Domicile or Port of Entry Pennsylvania	Country of Domicile United States
Licensed as Business Type Life, Accident & Health		Is HMO Federally Qualified? Yes [ ] No [ ]
Incorporated/Organized..... February 8, 2005		Commenced Business..... May 31, 2005
Statutory Home Office	120 Fifth Avenue..... Pittsburgh ..... PA ..... 15222-3099 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	120 Fifth Avenue Suite 924..... Pittsburgh ..... PA ..... 15222-3021 (Street and Number) (City or Town, State and Zip Code)	412-544-7000 (Area Code) (Telephone Number)
Mail Address	120 Fifth Avenue Suite 924..... Pittsburgh ..... PA ..... 15222-3021 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	120 Fifth Avenue Suite 924..... Pittsburgh ..... PA ..... 15222-3021 (Street and Number) (City or Town, State and Zip Code)	412-544-6902 (Area Code) (Telephone Number)
Internet Web Site Address	www.highmark.com	
Statutory Statement Contact	Janine Kopas Colinear (Name) janine.colinear@highmark.com (E-Mail Address)	412-544-6902 (Area Code) (Telephone Number) (Extension) 412-544-8674 (Fax Number)

### OFFICERS

Cynthia Mauro Dellecker.....President  
 Joseph Michael Walter #.....Treasurer  
 Edward August Bittner, Jr..... Secretary

### DIRECTORS OR TRUSTEES

David Arthur Blandino, MD	Cynthia Mauro Dellecker	Joseph Clinton Guyaux	Donald Lee, EdD
Timothy Edwards Parks	Deborah Lynn Rice-Johnson	Joseph Michael Walter #	

State of..... Pennsylvania  
 County of..... Allegheny

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

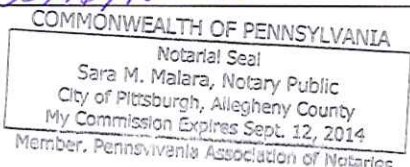
Cynthia Mauro Dellecker President	Joseph Michael Walter Treasurer	Edward August Bittner, Jr. Secretary

Subscribed and sworn to before me

This 13th day of November, 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 \_\_\_\_\_



**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.....	14,838,476	0	14,838,476	15,110,147
2. Stocks:				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	5,031,772	0	5,031,772	0
3. Mortgage loans on real estate:				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$....49,421), cash equivalents (\$.....0) and short-term investments (\$....18,457,490).....	18,506,911	0	18,506,911	18,058,707
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives.....	0	0	0	0
8. Other invested assets.....	0	0	0	0
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets.....	0	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	38,377,159	0	38,377,159	33,168,854
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	81,006	0	81,006	66,191
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0	1,290,768
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	0	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	0	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	8,366,501
18.1 Current federal and foreign income tax recoverable and interest thereon.....	1,800	0	1,800	0
18.2 Net deferred tax asset.....	3,932,518	3,912,697	19,821	754,077
19. Guaranty funds receivable or on deposit.....	0	0	0	0
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0	1,950,340
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	7,453,395
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	42,392,483	3,912,697	38,479,786	53,050,126
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27).....	42,392,483	3,912,697	38,479,786	53,050,126

**DETAILS OF WRITE-INS**

1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501.....	0	0	0	0
2502.....	0	0	0	0
2503.....	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	.0	.0	.0	6,969,322
2. Accrued medical incentive pool and bonus amounts.....	.0	.0	.0	.0
3. Unpaid claims adjustment expenses.....	.0	.0	.0	15,968
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	.0	.0	.0	172,002
5. Aggregate life policy reserves.....	.0	.0	.0	.0
6. Property/casualty unearned premium reserve.....	.0	.0	.0	.0
7. Aggregate health claim reserves.....	.0	.0	.0	.0
8. Premiums received in advance.....	.0	.0	.0	2,363,591
9. General expenses due or accrued.....	9,731	.0	9,731	996,221
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....	.0	.0	.0	4,163,458
10.2 Net deferred tax liability.....	.0	.0	.0	.0
11. Ceded reinsurance premiums payable.....	.0	.0	.0	.0
12. Amounts withheld or retained for the account of others.....	.0	.0	.0	.0
13. Remittances and items not allocated.....	.0	.0	.0	.0
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....	.0	.0	.0	.0
15. Amounts due to parent, subsidiaries and affiliates.....	9,012	.0	9,012	19,919
16. Derivatives.....	.0	.0	.0	.0
17. Payable for securities.....	.0	.0	.0	.0
18. Payable for securities lending.....	.0	.0	.0	.0
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....	.0	.0	.0	.0
20. Reinsurance in unauthorized companies.....	.0	.0	.0	.0
21. Net adjustments in assets and liabilities due to foreign exchange rates.....	.0	.0	.0	.0
22. Liability for amounts held under uninsured plans.....	.0	.0	.0	2,230,042
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	.0	.0	.0	.0
24. Total liabilities (Lines 1 to 23).....	18,743	.0	18,743	16,930,523
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	.0	.0
26. Common capital stock.....	XXX	XXX	2,000,000	2,000,000
27. Preferred capital stock.....	XXX	XXX	.0	.0
28. Gross paid in and contributed surplus.....	XXX	XXX	72,000,000	72,000,000
29. Surplus notes.....	XXX	XXX	.0	.0
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	.0	.0
31. Unassigned funds (surplus).....	XXX	XXX	(35,538,957)	(37,880,397)
32. Less treasury stock, at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX	.0	.0
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX	.0	.0
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	38,461,043	36,119,603
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	38,479,786	53,050,126

### DETAILS OF WRITE-INS

2301. ....	.0	.0	.0	.0
2302. ....	.0	.0	.0	.0
2303. ....	.0	.0	.0	.0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	.0	.0	.0	.0
2501. ....			.0	.0
2502. ....			.0	.0
2503. ....			.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	.0	.0
3001. ....			.0	.0
3002. ....			.0	.0
3003. ....			.0	.0
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	.0	.0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	.0	.0

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months.....	XXX	397,669	535,390	710,529
2. Net premium income (including \$.....0 non-health premium income).....	XXX	51,376,188	64,410,242	85,298,477
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	.0	.0	.0
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX	.0	.0	.0
5. Risk revenue.....	XXX	.0	.0	.0
6. Aggregate write-ins for other health care related revenues.....	XXX	.0	.0	.0
7. Aggregate write-ins for other non-health revenues.....	XXX	.0	.0	.0
8. Total revenues (Lines 2 to 7).....	XXX	51,376,188	64,410,242	85,298,477
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....	.0	.0	.0	.0
10. Other professional services.....	.0	.0	.0	.0
11. Outside referrals.....	.0	.0	.0	.0
12. Emergency room and out-of-area.....	.0	.0	.0	.0
13. Prescription drugs.....	.0	41,992,688	58,365,393	70,741,301
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....	.0	.0	.0	.0
16. Subtotal (Lines 9 to 15).....	.0	41,992,688	58,365,393	70,741,301
<b>Less:</b>				
17. Net reinsurance recoveries.....	.0	.0	.0	.0
18. Total hospital and medical (Lines 16 minus 17).....	.0	41,992,688	58,365,393	70,741,301
19. Non-health claims (net).....	.0	.0	.0	.0
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....	.0	2,878,388	2,802,017	3,787,097
21. General administrative expenses.....	.0	4,320,536	6,423,616	8,959,199
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....	.0	.0	.0	.0
23. Total underwriting deductions (Lines 18 through 22).....	.0	49,191,612	67,591,026	83,487,597
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	2,184,576	(3,180,784)	1,810,880
25. Net investment income earned.....	.0	125,810	136,081	173,767
26. Net realized capital gains (losses) less capital gains tax of \$.....0.....	.0	.0	1,414	1,414
27. Net investment gains or (losses) (Lines 25 plus 26).....	.0	125,810	137,495	175,181
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....	.0	.0	.0	.0
29. Aggregate write-ins for other income or expenses.....	.0	.0	2,235	3,332
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	2,310,386	(3,041,054)	1,989,393
31. Federal and foreign income taxes incurred.....	XXX	(1,800)	(178,479)	(111,569)
32. Net income (loss) (Lines 30 minus 31).....	XXX	2,312,186	(2,862,575)	2,100,962

### DETAILS OF WRITE-INS

0601. ....	XXX	.0	.0	.0
0602. ....	XXX	.0	.0	.0
0603. ....	XXX	.0	.0	.0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	.0	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	.0	.0	.0
0701. ....	XXX	.0	.0	.0
0702. ....	XXX	.0	.0	.0
0703. ....	XXX	.0	.0	.0
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	.0	.0	.0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX	.0	.0	.0
1401. ....	.0	.0	.0	.0
1402. ....	.0	.0	.0	.0
1403. ....	.0	.0	.0	.0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	.0	.0	.0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	.0	.0	.0	.0
2901. Other Income.....	.0	.0	2,235	3,332
2902. ....	.0	.0	.0	.0
2903. ....	.0	.0	.0	.0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.0	.0	.0	.0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	.0	.0	2,235	3,332

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

<b>CAPITAL AND SURPLUS ACCOUNT</b>	<b>1 Current Year to Date</b>	<b>2 Prior Year To Date</b>	<b>3 Prior Year Ended December 31</b>
33. Capital and surplus prior reporting year.....	36,119,603	32,270,073	32,270,073
34. Net income or (loss) from Line 32.....	2,312,186	(2,862,575)	2,100,962
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....	10,051	0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0	0
38. Change in net deferred income tax.....	(1,052,525)	(625,642)	(1,547,452)
39. Change in nonadmitted assets.....	88,598	2,894,709	3,296,020
40. Change in unauthorized reinsurance.....	0	0	0
41. Change in treasury stock.....	0	0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....	983,130	0	0
44. Capital changes:			
44.1 Paid in.....	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....	0	0	0
45. Surplus adjustments:			
45.1 Paid in.....	0	0	0
45.2 Transferred to capital (Stock Dividend).....	0	0	0
45.3 Transferred from capital.....	0	0	0
46. Dividends to stockholders.....	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	2,341,440	(593,508)	3,849,530
49. Capital and surplus end of reporting period (Line 33 plus 48).....	38,461,043	31,676,565	36,119,603

**DETAILS OF WRITE-INS**

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

## CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	50,165,292	70,177,764	86,037,251
2. Net investment income.....	263,741	247,976	346,695
3. Miscellaneous income.....	0	0	0
4. Total (Lines 1 through 3).....	50,429,033	70,425,740	86,383,946
5. Benefit and loss related payments.....	40,789,085	57,283,865	67,907,801
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,064,923	5,862,613	18,044,705
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	4,163,458	(743,314)	(5,018,342)
10. Total (Lines 5 through 9).....	47,017,466	62,403,164	80,934,164
11. Net cash from operations (Line 4 minus Line 10).....	3,411,567	8,022,576	5,449,782
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	8,545,000	14,700,482	15,450,482
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	8,545,000	14,700,482	15,450,482
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	8,426,078	14,789,814	16,483,011
13.2 Stocks.....	5,021,719	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	13,447,797	14,789,814	16,483,011
14. Net increase (decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(4,902,797)	(89,332)	(1,032,529)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	1,939,434	(500,442)	(1,426,571)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	1,939,434	(500,442)	(1,426,571)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	448,204	7,432,802	2,990,682
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	18,058,707	15,068,025	15,068,025
19.2 End of period (Line 18 plus Line 19.1).....	18,506,911	22,500,827	18,058,707
Note: Supplemental disclosures of cash flow information for non-cash transactions:			
20.0001 .....	0	0	0

**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							
<b>Total Members at End of:</b>										
1. Prior Year.....	58,168	0	0	0	0	0	0	0	0	58,168
2. First Quarter.....	57,035	0	0	0	0	0	0	0	0	57,035
3. Second Quarter.....	56,391	0	0	0	0	0	0	0	0	56,391
4. Third Quarter.....	0	0	0	0	0	0	0	0	0	0
5. Current Year.....	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months.....	397,669	0	0	0	0	0	0	0	0	397,669
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician.....	0	0	0	0	0	0	0	0	0	0
8. Non-Physician.....	0	0	0	0	0	0	0	0	0	0
9. Total.....	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred.....	0	0	0	0	0	0	0	0	0	0
11. Number of Inpatient Admissions.....	0	0	0	0	0	0	0	0	0	0
12. Health Premiums Written (a).....	51,376,188	0	0	0	0	0	0	0	0	51,376,188
13. Life Premiums Direct.....	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written.....	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned.....	51,376,188	0	0	0	0	0	0	0	0	51,376,188
16. Property/Casualty Premiums Earned.....	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services.....	40,789,085	0	0	0	0	0	0	0	0	40,789,085
18. Amount Incurred for Provision of Health Care Services.....	41,992,688	0	0	0	0	0	0	0	0	41,992,688

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(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees \$.000000.



**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
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**NONE**

## 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 December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	0	0	0	0	0	0
2. Medicare Supplement.....	0	0	0	0	0	0
3. Dental only.....	0	0	0	0	0	0
4. Vision only.....	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan.....	0	0	0	0	0	0
6. Title XVIII - Medicare.....	0	0	0	0	0	0
7. Title XIX - Medicaid.....	0	0	0	0	0	0
8. Other health.....	4,972,188	35,816,897	0	0	4,972,188	6,969,322
9. Health subtotal (Lines 1 to 8).....	4,972,188	35,816,897	0	0	4,972,188	6,969,322
10. Healthcare receivables (a).....	0	0	0	0	0	8,172,925
11. Other non-health.....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts.....	0	0	0	0	0	0
13. Totals (Lines 9-10+11+12).....	4,972,188	35,816,897	0	0	4,972,188	(1,203,603)

600

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

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**NOTES TO FINANCIAL STATEMENTS**

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## NOTES TO FINANCIAL STATEMENTS

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1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Highmark Senior Resources Inc. (the "Corporation") are presented on the basis of accounting practices prescribed by the Pennsylvania Insurance Department (the "Department"). The Department recognizes only statutory accounting practices prescribed or permitted by the Commonwealth of Pennsylvania for determining and reporting the financial condition and results of operations of an insurance company in order to assess its solvency under Pennsylvania insurance law and regulations. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by Pennsylvania. The Pennsylvania Insurance Commissioner (the "Commissioner") has the right to permit other specific practices that deviate from prescribed practices.

For the period ended September 30, 2012, there were no differences between NAIC SAP and practices prescribed or permitted by the Commonwealth of Pennsylvania.

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

No change.

C. Accounting Policies

No significant change.

2. Accounting Changes and Corrections of Errors

SSAP No. 101, Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10, was adopted by the NAIC effective January 1, 2012. Refer to Note 9 – Income Taxes for the effect of this change on the statutory financial statements.

3. Business Combinations and Goodwill

None.

4. Discontinued Operations

None.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None.

B. Debt Restructuring

None.

C. Reverse Mortgages

None.

D. Loan-Backed Securities

None.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Real Estate

None.

G. Low-Income Housing Tax Credits

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

A. Basis for Excluding Due and Accrued Investment Income from Statutory Surplus

No change.

**NOTES TO FINANCIAL STATEMENTS****B. Amounts Excluded from Statutory Surplus**

None.

**8. Derivative Instruments**

None.

**9. Income Taxes****A., C. Components and Changes in Deferred Taxes**

SSAP No. 101, Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10, was adopted by the NAIC effective January 1, 2012. This guidance provides that the deferred tax asset ("DTA") admissibility guidance is no longer elective, and the reversal and surplus limitation parameters in the admissibility tests are determined based on the risk-based capital level. It also requires gross DTAs to be reduced by a statutory valuation allowance if it is more likely than not that some portion or all of the gross DTAs will not be realized. Finally, the guidance sets a more likely than not threshold for the recording of contingent liabilities. The cumulative effect of adopting this pronouncement is an increase to surplus of \$983,130.

The following summarizes the impact of adoption:

	1/1/12	12/31/11	Change
Gross DTA	\$ 4,985,043	\$ 4,985,043	\$ -
Statutory valuation allowance	-	-	-
Adjusted gross DTA	\$ 4,985,043	\$ 4,985,043	\$ -
Non admitted DTA	(3,247,836)	(4,230,966)	983,130
Gross deferred tax liability	-	-	-
Net admitted DTA	\$ 1,737,207	\$ 754,077	\$ 983,130
Contingent tax liability	-	-	-
Penalty/interest	-	-	-
Net increase to surplus	<u>\$ 1,737,207</u>	<u>\$ 754,077</u>	<u>\$ 983,130</u>

**B. Unrecognized Deferred Tax Liabilities**

None.

**D. Rate Reconciliation**

No significant change.

**E. Income Tax Carryforwards and Carrybacks**

None.

**F. Consolidation of Federal Return**

No change.

**10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties****A., F. Nature of Relationships Involved**

No change.

**B., C. Description of Transactions Relating to Subsidiaries, Controlled and Affiliated Entities ("SCAs")**

Effective August 1, 2012, the Corporation entered into an Assumption Reinsurance Agreement ("Agreement") with Highmark Health Insurance Company ("HHIC"). The Agreement was approved by the Department and stipulates that the Corporation (the ceding insurer) cedes to HHIC (the assuming reinsurer) 100% of the Medicare Part D insurance policies issued by the Corporation in effect as of August 1, 2012. Also in effect at August 1, 2012 was a Novation Agreement for Change of Ownership of a Medicare Prescription Drug Plan ("PDP") Line of Business ("Novation Agreement") among the Corporation, HHIC and the Centers for Medicare & Medicaid Services ("CMS"). Under the Novation Agreement, CMS approved the transfer of a PDP contract from the Corporation to HHIC, and HHIC assumed from the Corporation all rights, privileges and responsibilities, as well as liabilities of the contract between the Corporation and CMS to become a Medicare Prescription Drug Plan sponsor.

**D. Related Party Receivables and Payables**

At September 30, 2012, the Corporation reported \$9,012 as amounts payable to related parties. These amounts consisted of premiums collected by the Corporation which will be remitted to HHIC pursuant to the assumption reinsurance agreement. Additionally, amounts due to Highmark for administrative services performed by Highmark on behalf of the Corporation were \$9,731. These amounts were classified as general expenses due or accrued based on the nature of the services performed.

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## NOTES TO FINANCIAL STATEMENTS

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E. Commitments and Contingencies to SCAs

None.

G. Relationships with Enterprises under Common Ownership

None.

H. Amounts Deducted from Value of an Upstream Intermediate Entity

None.

I. Investments in SCA Entities that exceed 10% of Admitted Assets

None.

J. Impairment in SCAs

None.

K. Investments in Foreign Insurance Subsidiaries

None.

L. Downstream Noninsurance Holding Company

None.

11. Debt

None.

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

None.

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

A. Capital Stock

No change.

B. Preferred Stock

None.

C., D., E. Dividends

None.

F. Surplus Restrictions

None.

G. Mutual Surplus Advances

Not Applicable.

H. Company Stock Held for Special Purposes

None.

I. Special Surplus Funds

None.

J. Changes in Surplus

The Corporation's surplus included cumulative net unrealized gains of \$10,051 at September 30, 2012.

K. Surplus Notes

None.

L., M. Quasi-Reorganizations

Not Applicable.

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## NOTES TO FINANCIAL STATEMENTS

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14. Contingencies

A. Contingent Commitments

None.

B. Assessments

None.

C. Gain Contingencies

None.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming From Lawsuits

None.

E. All Other Contingencies

The Corporation is subject to various contingencies, including legal and compliance actions and proceedings that arise in the ordinary course of its business. In the opinion of management, based on consultation with legal counsel, adequate provision has been made in the financial statements for any potential liability related to these matters, and the amount of ultimate liability is not expected to materially affect the financial position or results from operations of the Corporation.

15. Leases

None.

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

None.

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

A. Transfers of Receivables Reported as Sales

None.

B. Transfer and Servicing of Financial Assets

None.

C. Wash Sales

None.

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

A. ASO Plans

None.

B. ASC Plans

None.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

None.

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

None.

**NOTES TO FINANCIAL STATEMENTS**

## 20. Fair Value Measurements

## A. Assets and Liabilities Measured at Fair Value

In accordance with SSAP No. 100, financial assets and liabilities recorded at fair value in the statements of assets, liabilities capital and surplus are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Input levels, as defined by NAIC SAP, are as follows:

Level 1 – Pricing inputs are based on unadjusted quoted market prices for identical financial assets in active markets. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are based on other than quoted prices in active markets included in Level 1 that are observable unadjusted quoted market prices for similar financial assets or liabilities in active markets or quoted market prices for identical assets in inactive markets.

Level 3 – Pricing inputs include unobservable inputs that are supported by little or no market activity that reflect management's best estimate of what market participants would use in pricing the asset at the measurement date.

The following methods and assumptions were used to determine the fair value of each class of the following assets and liabilities:

**Bonds:** Fair values are based on quoted market prices, where available. These fair values are obtained primarily from a third party pricing service, which generally uses Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. Level 2 securities primarily include corporate securities, securities from states, municipalities and political subdivisions and mortgage-backed securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. The Corporation has certain fixed maturity securities, primarily corporate debt and other fixed maturity securities that are designated Level 3 securities. For these securities, the valuation methodologies may incorporate broker quotes or assumptions for benchmark yields, credit spreads, default rates and prepayment speeds that are not observable in the markets.

**Common stocks:** The Corporation's common stock prices have been estimated using the net asset value per share of the investments, which are based on market prices of underlying securities. These securities are designated Level 1. At September 30, 2012, the Corporation held securities with fair value of \$5,031,772 the pricing of which was based on assigned net asset values.

**Short-term securities:** Short-term securities include Class 1 and exempt money market accounts, and securities with a maturity of less than one year but greater than 90 days at the date of purchase. Fair values of short-term securities are based on quoted market prices, where available. These fair values are obtained primarily from a third party pricing service, which generally use Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. U.S. Government securities represent Level 1 securities, while Level 2 securities include corporate securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds.

**Cash and cash equivalents:** Cash equivalents include commercial paper, discount notes or securities with a maturity of 3 months or less, and bank deposits that are purchased or deposited daily with specified yield rates. Cash equivalents are designated as Level 1 or Level 2, depending on structure and the extent of credit-related features.

The Corporation uses a third party pricing service to obtain quoted prices for each security. The third party service provides pricing based on recent trades of the specific security or like securities, as well as a variety of valuation methodologies for those securities where an observable market price may not exist. The third party service may derive pricing for Level 2 securities from market corroborated pricing, matrix pricing, and inputs such as yield curves and indices. Pricing for Level 3 securities may be obtained from investment managers for private placements or derived from discounted cash flows, or ratio analysis and price comparisons of similar companies. The Corporation performs an analysis of reasonableness of the prices received for fair value by monitoring month-to-month fluctuations and determining reasons for significant differences, selectively testing fair values against prices obtained from other sources, and comparing the combined fair value of a class of assets against an appropriate index benchmark. There were no adjustments to quoted market prices obtained from third party pricing services during the period ended September 30, 2012 that were material to the statutory financial statements.

The following table summarizes fair value measurements by level at September 30, 2012 for financial assets measured at fair value:

	<b>Total Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Stocks				
Common stocks - unaffiliated				
Domestic	\$ 5,031,772	\$ 5,031,772	\$ -	\$ -
Total stocks	<u>\$ 5,031,772</u>	<u>\$ 5,031,772</u>	<u>\$ -</u>	<u>\$ -</u>



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**NOTES TO FINANCIAL STATEMENTS**


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## C. Fair Value and Admitted Value of All Financial Assets

The following table summarizes the aggregate fair value for all financial assets and the related admitted values at September 30, 2012:

	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
<b>Bonds</b>						
U.S. Government	\$ 100,906	\$ 100,775	\$ 100,906	\$ -	\$ -	\$ -
Special Revenue & Special Assessment Obligations	8,736,429	8,690,090	-	8,736,429	-	-
Industrial and miscellaneous securities	6,128,928	6,047,611	-	6,128,928	-	-
<b>Total bonds</b>	<b>14,966,263</b>	<b>14,838,476</b>	<b>100,906</b>	<b>14,865,357</b>	<b>-</b>	<b>-</b>
<b>Common stocks - unaffiliated</b>						
Domestic	5,031,772	5,031,772	5,031,772	-	-	-
<b>Total stocks</b>	<b>5,031,772</b>	<b>5,031,772</b>	<b>5,031,772</b>	<b>-</b>	<b>-</b>	<b>-</b>
Short-term securities	18,457,268	18,457,490	18,154,304	302,964	-	-
Cash and cash equivalents	49,421	49,421	49,421	-	-	-
<b>Total</b>	<b>\$ 38,504,724</b>	<b>\$ 38,377,159</b>	<b>\$ 23,336,403</b>	<b>\$ 15,168,321</b>	<b>\$ -</b>	<b>\$ -</b>

## D. Estimated Fair Values Not Practicable

None.

## 21. Other Items

## A. Extraordinary Items

None.

## B. Troubled Debt Restructuring: Debtors

None.

## C. Other Disclosures

In October 2011, Highmark entered into an agreement with West Penn Allegheny Health System, Inc. ("WPAHS") with respect to a proposed transaction pursuant to which WPAHS and Highmark and, therefore, the Corporation, would become affiliated entities commonly controlled by a single ultimate parent entity. Consummation of the proposed affiliation is subject to various conditions precedent, including receipt of all necessary regulatory approvals. Such approvals include approval by all applicable regulatory agencies or authorities of the change of control of Highmark and its subsidiaries and affiliates, including the Corporation, that will occur upon consummation of the transaction. In September 2012, WPAHS delivered a notice to Highmark asserting that WPAHS was "excused, released, and discharged" from performing its obligations under the affiliation agreement due to an alleged incurable anticipatory breach of the agreement by Highmark. Highmark denies that it has breached the agreement and has filed a suit against WPAHS seeking to enforce the agreement against WPAHS.

## D. Uncollectible Receivable Balances

No significant change.

## E. Business Interruption Insurance Recoveries

None.

## F. State Transferable and Non-transferable Tax Credits

None.

## G. Subprime Mortgage Related Risk Exposure

None.

## H. Retained Assets

None.

## 22. Events Subsequent

None.

## 23. Reinsurance

None.

**NOTES TO FINANCIAL STATEMENTS****24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

The Corporation estimates retrospective premium adjustments to earned premium for its health insurance business subject to Part D risk corridor provisions by examining activity and applying the appropriate contractual limitations. For the period ended September 30, 2012, the Corporation's net premiums written that were subject to retrospective rating features were \$41,752,743, which represented approximately 81.27% of total net premiums written.

**25. Change in Incurred Claims and Claim Adjustment Expenses**

Reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years decreased during the period ended September 30, 2012 by \$1,997,134 and \$15,968 respectively, as a result of re-estimation of unpaid claims and claim adjustment expenses. The re-estimation decrease was generally the result of ongoing analysis of recent loss development trends. Original estimates are adjusted as additional information becomes known regarding individual claims.

**26. Intercompany Pooling Arrangements**

None.

**27. Structured Settlements**

Not applicable.

**28. Health Care Receivables****A. Pharmaceutical Rebates Receivable**

The following is an analysis of pharmaceutical rebates receivable:

Quarter Ended	Estimated Pharmaceutical Rebates as Reported	Pharmaceutical Rebates as Invoiced or Confirmed	Actual Rebates Collected Within 90 Days	Actual Rebates Collected Within 91-180 Days	Actual Rebates Collected More Than 180 Days
09/30/2012	\$ 1,226,349	\$ 1,226,349	\$ 1,226,349	\$ -	\$ -
06/30/2012	\$ 3,646,226	\$ 3,615,956	\$ 3,615,956	\$ -	\$ -
03/31/2012	\$ 3,698,964	\$ 3,699,791	\$ 3,415,654	\$ 284,137	\$ -
12/31/2011	\$ 3,940,877	\$ 4,029,091	\$ 3,719,659	\$ 69,882	\$ 239,550
09/30/2011	\$ 4,192,475	\$ 4,313,997	\$ 3,519,119	\$ 504,328	\$ 290,550
06/30/2011	\$ 4,165,233	\$ 4,236,070	\$ 3,880,250	\$ 75,084	\$ 280,736
03/31/2011	\$ 4,199,501	\$ 4,185,356	\$ 2,802,645	\$ 995,982	\$ 386,729
12/31/2010	\$ 4,026,377	\$ 4,089,046	\$ 1,832,149	\$ 775,213	\$ 1,481,684
09/30/2010	\$ 4,244,057	\$ 4,286,481	\$ 2,021,129	\$ 727,389	\$ 1,537,963
06/30/2010	\$ 4,366,469	\$ 4,384,049	\$ 1,524,201	\$ 1,041,007	\$ 1,818,841
03/31/2010	\$ 4,605,192	\$ 4,624,907	\$ 1,454,901	\$ 514,903	\$ 2,655,103
12/31/2009	\$ 4,802,230	\$ 5,137,164	\$ 2,020,443	\$ 12,405	\$ 3,104,316

**B. Risk Sharing Receivables**

None.

**29. Participating Policies**

None.

**30. Premium Deficiency Reserves**

None.

**31. Anticipated Salvage and Subrogation**

None.

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

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

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

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

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

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

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

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

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

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

\_\_\_\_\_

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011.....

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. 12/31/2006.....

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). 7/20/2008.....

6.4 By what department or departments?  
The Pennsylvania Insurance Department

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

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 [ X ] No [ ]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
In May 2012, the Corporation's Board of Directors approved a modified Code of Conduct containing three additional sections entitled "Knowing and Complying with Our Policies," "Insider Trading" and "Marketing and Advertising Activities."

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

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

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

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**PART 1 - FINANCIAL**

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

**PART 1 - 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   
 11.2 If yes, give full and complete information relating thereto:

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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

14.2 If yes, please complete the following:

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

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes  No   
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No   
 If no, attach a description with this statement.

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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  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
The Bank of New York Mellon	One Mellon Center, Pittsburgh, Pennsylvania 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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
	Highmark Inc.	120 Fifth Avenue, Pittsburgh, PA 15222

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes  No   
 17.2 If no, list exceptions:

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**GENERAL INTERROGATORIES (continued)**

**PART 2 - HEALTH**

1. Operating Percentages:		
1.1 A&H loss percent		<u>83.1 %</u>
1.2 A&H cost containment percent		<u>1.3 %</u>
1.3 A&H expense percent excluding cost containment expenses		<u>0.3 %</u>
2.1 Do you act as a custodian for health savings accounts?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.		<u>0</u>
2.3 Do you act as an administrator for health savings accounts?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
2.4 If yes, please provide the amount of funds administered as of the reporting date.		<u>0</u>

## 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	0	0	0	0	0	0	0	0
2. Alaska.....AK	N	0	0	0	0	0	0	0	0
3. Arizona.....AZ	N	0	0	0	0	0	0	0	0
4. Arkansas.....AR	N	0	0	0	0	0	0	0	0
5. California.....CA	N	0	0	0	0	0	0	0	0
6. Colorado.....CO	N	0	0	0	0	0	0	0	0
7. Connecticut.....CT	N	0	0	0	0	0	0	0	0
8. Delaware.....DE	N	0	0	0	0	0	0	0	0
9. District of Columbia.....DC	N	0	0	0	0	0	0	0	0
10. Florida.....FL	N	0	0	0	0	0	0	0	0
11. Georgia.....GA	N	0	0	0	0	0	0	0	0
12. Hawaii.....HI	N	0	0	0	0	0	0	0	0
13. Idaho.....ID	N	0	0	0	0	0	0	0	0
14. Illinois.....IL	N	0	0	0	0	0	0	0	0
15. Indiana.....IN	N	0	0	0	0	0	0	0	0
16. Iowa.....IA	N	0	0	0	0	0	0	0	0
17. Kansas.....KS	N	0	0	0	0	0	0	0	0
18. Kentucky.....KY	N	0	0	0	0	0	0	0	0
19. Louisiana.....LA	N	0	0	0	0	0	0	0	0
20. Maine.....ME	N	0	0	0	0	0	0	0	0
21. Maryland.....MD	N	0	0	0	0	0	0	0	0
22. Massachusetts.....MA	N	0	0	0	0	0	0	0	0
23. Michigan.....MI	N	0	0	0	0	0	0	0	0
24. Minnesota.....MN	N	0	0	0	0	0	0	0	0
25. Mississippi.....MS	N	0	0	0	0	0	0	0	0
26. Missouri.....MO	N	0	0	0	0	0	0	0	0
27. Montana.....MT	N	0	0	0	0	0	0	0	0
28. Nebraska.....NE	N	0	0	0	0	0	0	0	0
29. Nevada.....NV	N	0	0	0	0	0	0	0	0
30. New Hampshire.....NH	N	0	0	0	0	0	0	0	0
31. New Jersey.....NJ	N	0	0	0	0	0	0	0	0
32. New Mexico.....NM	N	0	0	0	0	0	0	0	0
33. New York.....NY	N	0	0	0	0	0	0	0	0
34. North Carolina.....NC	N	0	0	0	0	0	0	0	0
35. North Dakota.....ND	N	0	0	0	0	0	0	0	0
36. Ohio.....OH	N	0	0	0	0	0	0	0	0
37. Oklahoma.....OK	N	0	0	0	0	0	0	0	0
38. Oregon.....OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania.....PA	L	47,022,010	0	0	0	0	0	47,022,010	0
40. Rhode Island.....RI	N	0	0	0	0	0	0	0	0
41. South Carolina.....SC	N	0	0	0	0	0	0	0	0
42. South Dakota.....SD	N	0	0	0	0	0	0	0	0
43. Tennessee.....TN	N	0	0	0	0	0	0	0	0
44. Texas.....TX	N	0	0	0	0	0	0	0	0
45. Utah.....UT	N	0	0	0	0	0	0	0	0
46. Vermont.....VT	N	0	0	0	0	0	0	0	0
47. Virginia.....VA	N	0	0	0	0	0	0	0	0
48. Washington.....WA	N	0	0	0	0	0	0	0	0
49. West Virginia.....WV	L	4,354,178	0	0	0	0	0	4,354,178	0
50. Wisconsin.....WI	N	0	0	0	0	0	0	0	0
51. Wyoming.....WY	N	0	0	0	0	0	0	0	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands.....VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CN	N	0	0	0	0	0	0	0	0
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		51,376,188	0	0	0	0	0	51,376,188	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX		0	0	0	0	0	0	0	0
61. Total (Direct Business).....(a)	2	51,376,188	0	0	0	0	0	51,376,188	0

**DETAILS OF WRITE-INS**

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

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

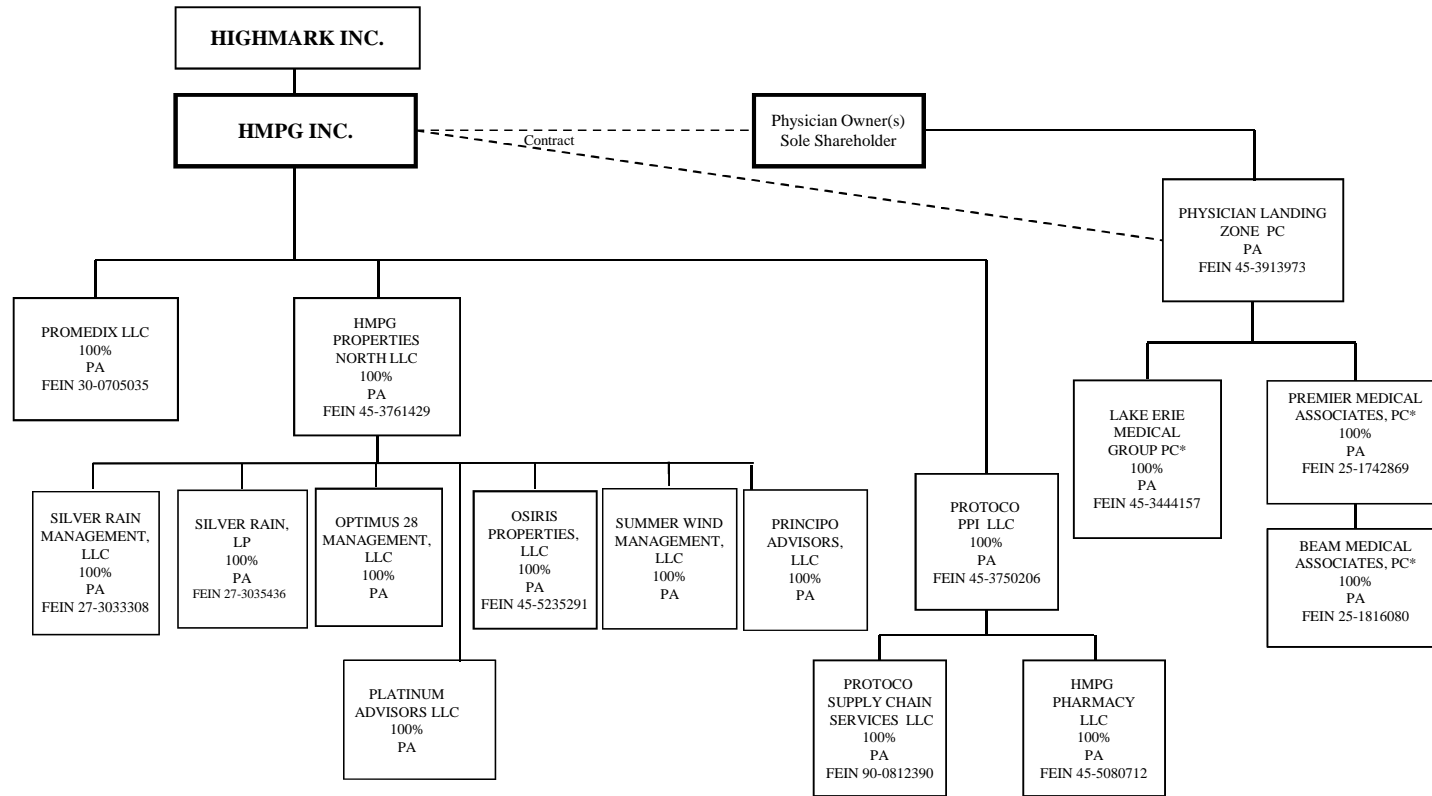
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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



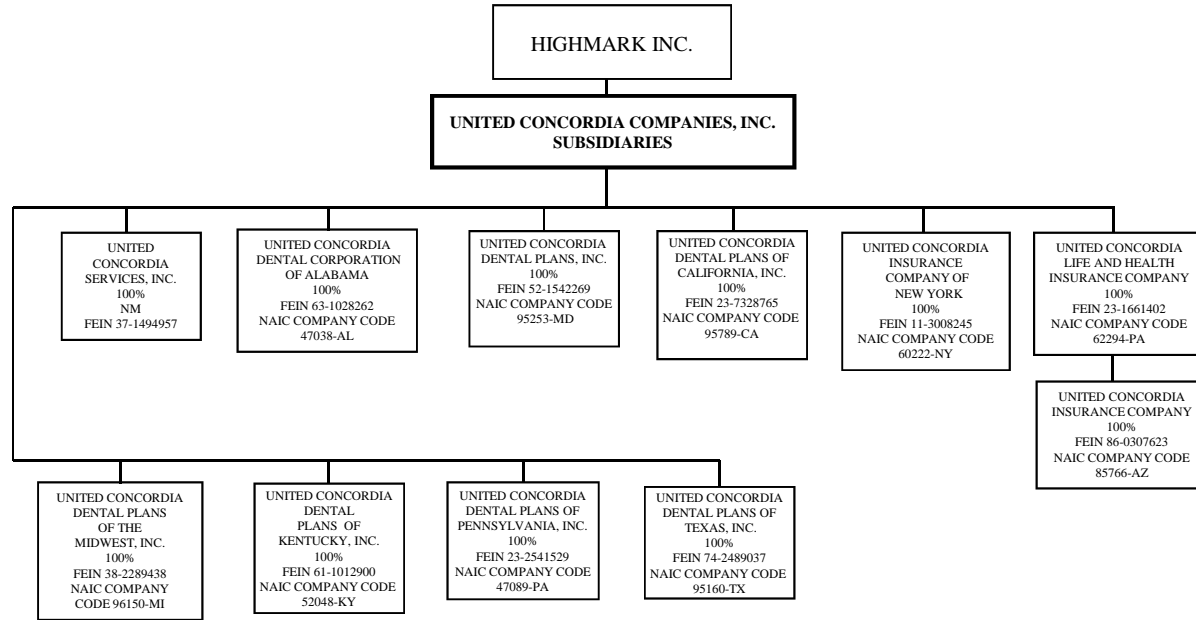


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
Part 1 – ORGANIZATION CHART



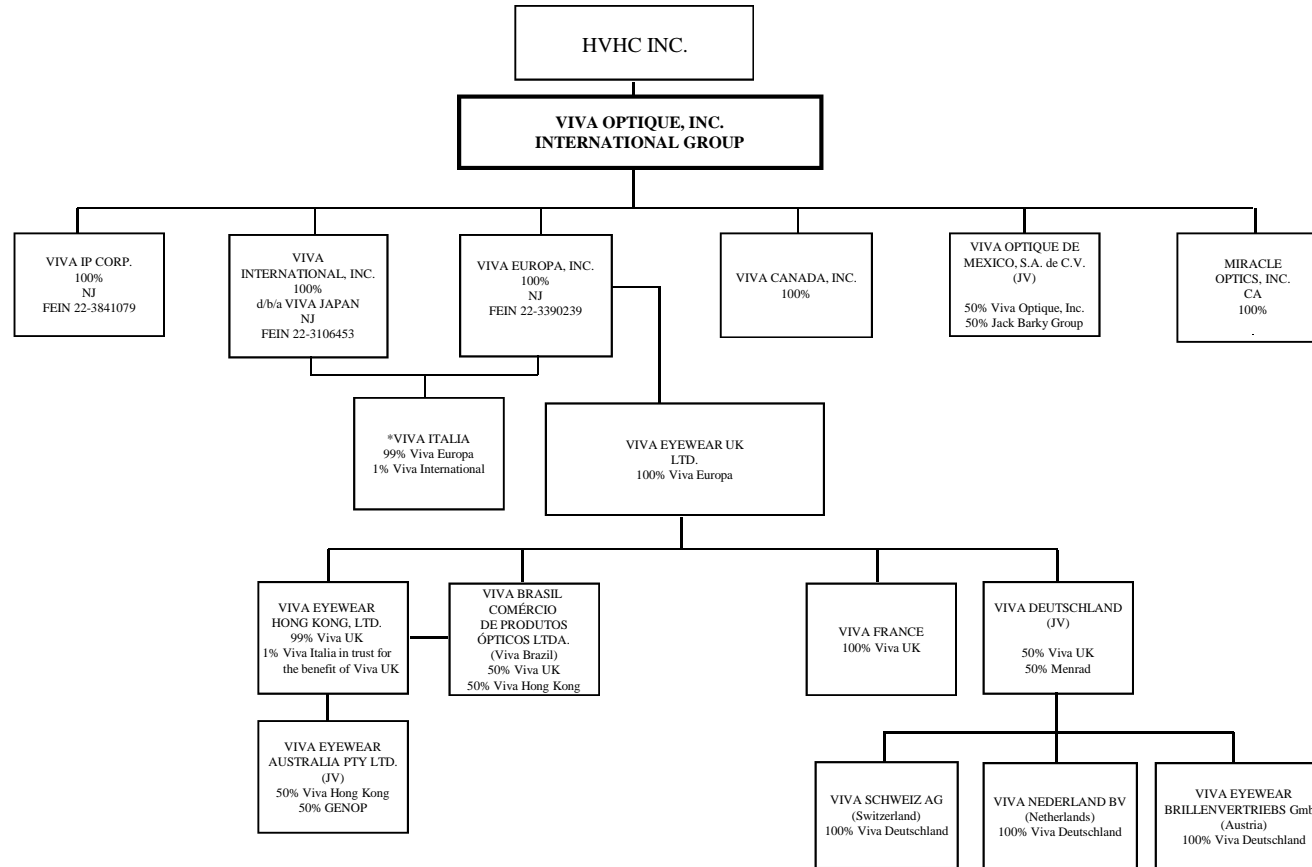
Q15.1

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
Part 1 – ORGANIZATION CHART



Q15.2

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
Part 1 – ORGANIZATION CHART

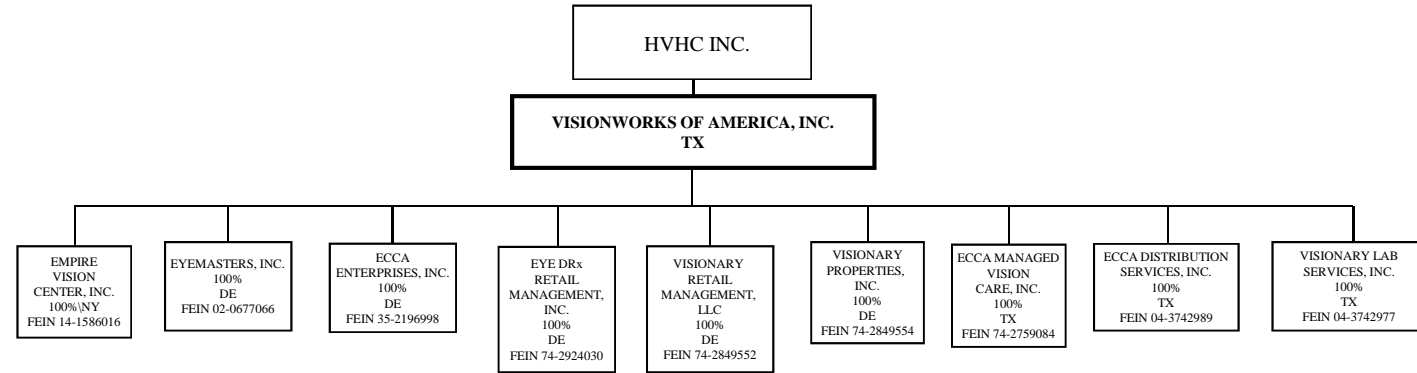


**Viva Optique Group**

\*Viva Italia Operations ceased September 2004  
– In process of dissolution

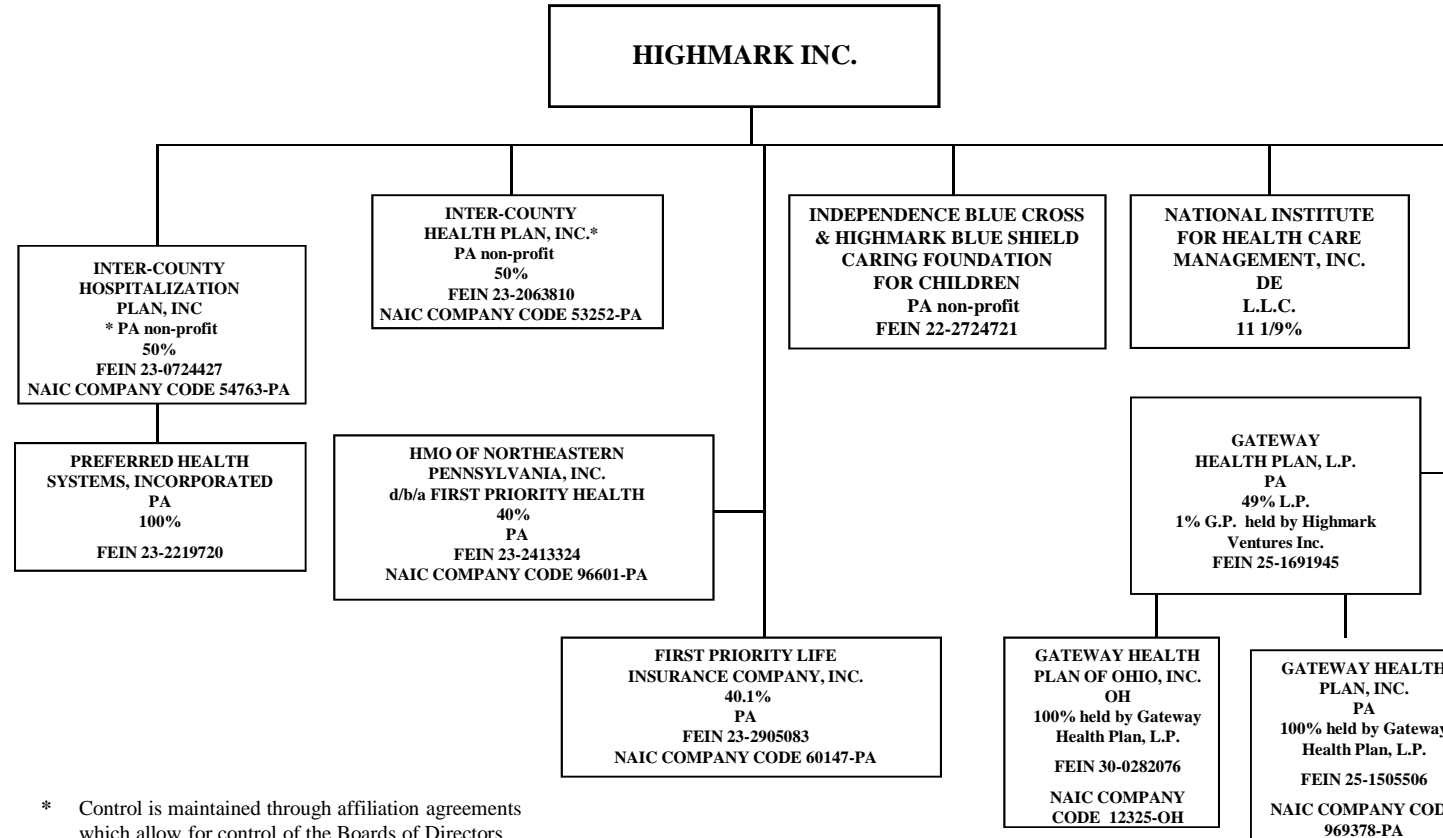
Q15.3

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
Part 1 – ORGANIZATION CHART



Q15.4

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
Part 1 – ORGANIZATION CHART



Q15.5

## 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)	Names 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)	*
<b>Members</b>														
0000		11435	75-3002215	0	0		HCI, INC.	VT	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		54828	55-0624615	0	0		HIGHMARK WEST VIRGINIA INC	WV	IA	HIGHMARK INC	BOARD	0.000	HIGHMARK INC	0
0000		00000	55-0625743	0	0		PARKER BENEFITS, INC	WV	DS	HIGHMARK WEST VIRGINIA INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		71768	54-1637426	0	0		HM HEALTH INSURANCE COMPANY	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	45-3999145	0	0		HIGHMARK HIE, LLC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	25-1645888	0	0		HIGHMARK VENTURES INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		95048	25-1522457	0	0		KEYSTONE HEALTH PLAN WEST, INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	25-1845908	0	0		UNION BENEFIT MANAGEMENT, INC	PA	DS	KEYSTONE HEALTH PLAN WEST, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	25-1824465	0	0		EMPLOYEE BENEFIT DATA SERVICES COMPANY	PA	NIA	UNION BENEFIT MANAGEMENT, INC	OWNERSHIP	1.000	HIGHMARK INC	0
0000		00000	25-1824465	0	0		EMPLOYEE BENEFIT DATA SERVICES COMPANY	PA	DS	KEYSTONE HEALTH PLAN WEST, INC	OWNERSHIP	99.000	HIGHMARK INC	0
0000		10131	20-2353206	0	0		HIGHMARK SENIOR RESOURCES INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	25-1712017	0	0		JEA INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	25-1668093	0	0		STANDARD PROPERTY CORPORATION	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	25-1524682	0	0		JENKINS EMPIRE ASSOCIATES	PA	DS	HIGHMARK INC	OWNERSHIP	24.000	HIGHMARK INC	0
0000		00000	25-1524682	0	0		JENKINS EMPIRE ASSOCIATES	PA	DS	STANDARD PROPERTY CORPORATION	OWNERSHIP	75.000	HIGHMARK INC	0
0000		00000	25-1524682	0	0		JENKINS EMPIRE ASSOCIATES	PA	DS	JEA INC	OWNERSHIP	1.000	HIGHMARK INC	0
0000		00000	25-1646315	0	0		HM INSURANCE GROUP, INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		35599	25-1334623	0	0		HIGHMARK CASUALTY INSURANCE COMPANY	PA	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		93440	06-1041332	0	0		HM LIFE INSURANCE COMPANY	PA	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	65-0611820	0	0		RISK BASED SOLUTIONS, L.C	FL	DS	HM LIFE INSURANCE COMPANY	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	25-1128451	0	0		HM BENEFITS ADMINISTRATORS, INC	PA	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	23-2384777	0	0		HM BROKER SERVICES, INC	PA	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		60213	25-1800302	0	0		HM LIFE INSURANCE COMPANY OF NEW YORK	NY	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		12720	65-1274122	0	0		HM CAPTIVE INSURANCE COMPANY	VT	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		13016	87-0807723	0	0		HM CASUALTY INSURANCE COMPANY	PA	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		89070	25-1687586	0	0		UNITED CONCORDIA COMPANIES, INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	37-1494957	0	0		UNITED CONCORDIA SERVICES, INC	NM	DS	UNITED CONCORDIA COMPANIES, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		47038	63-1028262	0	0		UNITED CONCORDIA DENTAL CORPORATION OF ALABAMA	AL	DS	UNITED CONCORDIA COMPANIES, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		95253	52-1542269	0	0		UNITED CONCORDIA DENTAL PLANS, INC	MD	DS	UNITED CONCORDIA COMPANIES, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		95789	23-7328765	0	0		UNITED CONCORDIA DENTAL PLANS OF CALIFORNIA, INC	CA	DS	UNITED CONCORDIA COMPANIES, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		60222	11-3008245	0	0		UNITED CONCORDIA INSURANCE COMPANY OF NEW YORK	NY	DS	UNITED CONCORDIA COMPANIES, INC	OWNERSHIP	100.000	HIGHMARK INC	0

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**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)	Names 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)	*
0000		62294	23-1661402	0	0		UNITED CONCORDIA LIFE AND HEALTH INSURANCE COMPANY	PA	DS	UNITED CONCORDIA COMPANIES, INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		85766	86-0307623	0	0		UNITED CONCORDIA INSURANCE COMPANY	AZ	DS	UNITED CONCORDIA LIFE AND HEALTH INSURANCE COMPANY	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		96150	38-2289438	0	0		UNITED CONCORDIA DENTAL PLANS OF THE MIDWEST, INC.	MI	DS	UNITED CONCORDIA COMPANIES, INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		52048	61-1012900	0	0		UNITED CONCORDIA DENTAL PLANS OF KENTUCKY, INC.	KY	DS	UNITED CONCORDIA COMPANIES, INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		47089	23-2541529	0	0		UNITED CONCORDIA DENTAL PLANS OF PENNSYLVANIA, INC.	PA	DS	UNITED CONCORDIA COMPANIES, INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		95160	74-2489037	0	0		UNITED CONCORDIA DENTAL PLANS OF TEXAS, INC.	TX	DS	UNITED CONCORDIA COMPANIES, INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	45-3444325	0	0		HMPG INC.	PA	DS	HIGHMARK INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	30-0705035	0	0		PROMEDIX LLC.	PA	DS	HMPG INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	45-3761429	0	0		HMPG PROPERTIES NORTH LLC.	PA	DS	HMPG INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	32-0371926	0	0		OPTIMUS 28 MANAGEMENT, LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	45-5235291	0	0		OSIRIS PROPERTIES, LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	27-3033308	0	0		SILVER RAIN MANAGEMENT, LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	27-3035436	0	0		SILVER RAIN, LP.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	99.000	HIGHMARK INC.	0
0000		00000	27-3035436	0	0		SILVER RAIN, LP.	PA	DS	SILVER RAIN, LLC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	0	0	0		PLATINUM ADVISORS LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	0	0	0		SUMMER WIND MANAGEMENT, LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	0	0	0		PRINCIPO ADVISORS, LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	45-3750206	0	0		PROTOCO PPI LLC.	PA	DS	HMPG INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	90-0812390	0	0		PROTOCO SUPPLY CHAIN SERVICES LLC.	PA	DS	PROTOCO PPI LLC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	45-5080712	0	0		HMPG PHARMACY LLC.	PA	DS	PROTOCO PPI LLC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	45-3913973	0	0		PHYSICIAN LANDING ZONE PC.	PA	DS	HMPG INC.	OTHER	0.000	HIGHMARK INC.	0
0000		00000	45-3444157	0	0		LAKE ERIE MEDICAL GROUP PC.	PA	DS	PHYSICIAN LANDING ZONE PC.	OTHER	0.000	HIGHMARK INC.	0
0000		00000	25-1742869	0	0		PREMIER MEDICAL ASSOCIATES, PC.	PA	DS	PHYSICIAN LANDING ZONE PC.	OTHER	0.000	HIGHMARK INC.	0
0000		00000	25-1816080	0	0		BEAM MEDICAL ASSOCIATES, PC.	PA	DS	PHYSICIAN LANDING ZONE PC.	OTHER	0.000	HIGHMARK INC.	0
0000		00000	25-1801124	0	0		HVHC INC.	DE	DS	HIGHMARK INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	11-3051991	0	0		DAVIS VISION, INC.	NY	DS	HVHC INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	11-2958041	0	0		DAVISVISION IPA, INC.	NY	DS	DAVIS VISION, INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	74-2337775	0	0		VISIONWORKS OF AMERICA, INC.	TX	DS	HVHC INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	14-1586016	0	0		EMPIRE VISION CENTER, INC.	NY	DS	VISIONWORKS OF AMERICA, INC.	OWNERSHIP	100.000	HIGHMARK INC.	0
0000		00000	02-0677066	0	0		EYEMASTERS, INC.	DE	DS	VISIONWORKS OF AMERICA, INC.	OWNERSHIP	100.000	HIGHMARK INC.	0

Q16.1

**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)	Names 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)	*
0000		00000	35-2196998	0	0		ECCA ENTERPRISES, INC	DE	DS	VISIONWORKS OF AMERICA, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	74-2924030	0	0		EYEDRX RETAIL MANAGEMENT, INC	DE	DS	VISIONWORKS OF AMERICA, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	74-2849552	0	0		VISIONARY RETAIL MANAGEMENT, LLC	DE	DS	VISIONWORKS OF AMERICA, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	74-2849554	0	0		VISIONARY PROPERTIES, INC	DE	DS	VISIONWORKS OF AMERICA, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	74-2759084	0	0		ECCA MANAGED VISION CARE, INC	TX	DS	VISIONWORKS OF AMERICA, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	04-3742989	0	0		ECCA DISTRIBUTION SERVICES, INC	TX	DS	VISIONWORKS OF AMERICA, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	04-3742977	0	0		VISIONARY LAB SERVICES, INC	TX	DS	VISIONWORKS OF AMERICA, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	22-2192365	0	0		VIVA OPTIQUE, INC	NJ	DS	HVHC INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	22-3841079	0	0		VIVA IP CORP	NJ	DS	VIVA OPTIQUE, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA CANADA, INC	CN	DS	VIVA OPTIQUE, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA OPTIQUE DE MEXICO, S.A. de C.V.	MX	NIA	VIVA OPTIQUE, INC	OWNERSHIP	50.000	HIGHMARK INC	0
0000		00000	0	0	0		MIRACLE OPTICS, INC	CA	DS	VIVA OPTIQUE, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	22-3106453	0	0		VIVA INTERNATIONAL, INC	NJ	DS	VIVA OPTIQUE, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	22-3390239	0	0		VIVA EUROPA, INC	NJ	DS	VIVA OPTIQUE, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA ITALIA	IT	DS	VIVA INTERNATIONAL, INC	OWNERSHIP	1.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA ITALIA	IT	DS	VIVA EUROPA, INC	OWNERSHIP	99.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA EYEWEAR UK LTD	GB	DS	VIVA EUROPA, INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA EYEWEAR HONG KONG, LTD	HK	DS	VIVA EYEWEAR UK LTD	OWNERSHIP	99.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA EYEWEAR HONG KONG, LTD	HK	DS	VIVA ITALIA	OWNERSHIP	1.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA EYEWEAR AUSTRALIA PTY LTD	AU	NIA	VIVA EYEWEAR HONG KONG, LTD	OWNERSHIP	50.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA BRASIL COMERCIO DE PRODUTOS OPTICOS LTDA	BR	NIA	VIVA EYEWEAR UK LTD	OWNERSHIP	50.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA BRASIL COMERCIO DE PRODUTOS OPTICOS LTDA	BR	NIA	VIVA EYEWEAR HONG KONG, LTD	OWNERSHIP	50.000	HIGHMARK INC	0
0000		00000	0	0	0		INVIVA EYEWEAR, S.A	ES	NIA	VIVA EYEWEAR UK LTD	OWNERSHIP	50.000	HIGHMARK INC	0
0000		00000	0	0	0		INVIVA EYEWEAR PORTUGAL	PT	DS	VIVA BRASIL	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA FRANCE	FR	DS	VIVA EYEWEAR UK LTD	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA DEUTSCHLAND	DE	NIA	VIVA EYEWEAR UK LTD	OWNERSHIP	50.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA SCHWEIZ AG	CH	DS	VIVA DEUTSCHLAND	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA NEDERLAND BV	NL	DS	VIVA DEUTSCHLAND	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	0	0	0		VIVA EYEWEAR BRILLENVERTRIEBS GmbH	AT	DS	VIVA DEUTSCHLAND	OWNERSHIP	100.000	HIGHMARK INC	0
0000		53252	23-2063810	0	0		INTER-COUNTY HEALTH PLAN, INC	PA	IA	HIGHMARK INC	OWNERSHIP	50.000	HIGHMARK INC. / INDEPENDENCE BLUE CROSS	0
0000		54763	23-0724427	0	0		INTER-COUNTY HOSPITALIZATION PLAN, INC	PA	IA	HIGHMARK INC	OWNERSHIP	50.000	HIGHMARK INC. / INDEPENDENCE BLUE CROSS	0
0000		00000	23-2219720	0	0		PREFERRED HEALTH SYSTEMS, INCORPORATED	PA	DS	INTER-COUNTY HOSPITALIZATION PLAN, INC	OWNERSHIP	100.000	HIGHMARK INC. / INDEPENDENCE BLUE CROSS	0

Q16.2



## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
0000		96601	23-2413324	0	0		HMO OF NORTHEASTERN PENNSYLVANIA	PA	IA	HIGHMARK INC	OWNERSHIP	40.000	HIGHMARK INC. / BLUE CROSS OF NORTHEASTERN PA	0
0000		60147	23-2905083	0	0		FIRST PRIORITY LIFE INSURANCE COMPANY, INC.	PA	IA	HIGHMARK INC	OWNERSHIP	40.100	HIGHMARK INC. / BLUE CROSS OF NORTHEASTERN PA	0
0000		00000	25-1691945	0	0		GATEWAY HEALTH PLAN, L.P	PA	IA	HIGHMARK INC	OWNERSHIP	49.000	HIGHMARK INC. / MERCY HEALTH PLAN	0
0000		00000	25-1691945	0	0		GATEWAY HEALTH PLAN, L.P	PA	IA	HIGHMARK VENTURES INC	OWNERSHIP	1.000	HIGHMARK INC. / MERCY HEALTH PLAN	0
0000		00000	30-0282076	0	0		GATEWAY HEALTH PLAN OF OHIO, INC.	OH	DS	GATEWAY HEALTHPLAN, L.P	OWNERSHIP	100.000	HIGHMARK INC. / MERCY HEALTH PLAN	0
0000		00000	25-1505506	0	0		GATEWAY HEALTH PLAN, INC.	PA	DS	GATEWAY HEALTHPLAN, L.P	OWNERSHIP	100.000	HIGHMARK INC. / MERCY HEALTH PLAN	0
0000		00000	25-1494238	0	0		CARING FOUNDATION	PA	OTH	HIGHMARK INC	BOARD	0.000	HIGHMARK INC	0
0000		00000	25-1876666	0	0		HIGHMARK FOUNDATION	PA	OTH	HIGHMARK INC	BOARD	0.000	HIGHMARK INC	0
0000		00000	22-2724721	0	0		INDEPENDENCE BLUE CROSS AND HIGHMARK BLUE SHIELD CARING FOUNDATION FOR CHILDREN	PA	OTH	HIGHMARK INC	BOARD	0.000	HIGHMARK INC. / INDEPENDENCE BLUE CROSS	0
0000		0		0	0		NATIONAL INSTITUTE FOR HEALTHCARE MANAGEMENT LLC	DE	OTH	HIGHMARK INC	BOARD	0.000	PARTICIPATING BLUES PLANS	0
0000		53287	51-0020405	0	0		HIGHMARK BCBSD INC	DE	IA	HIGHMARK INC	BOARD	100.000	HIGHMARK INC	0
0000		00000	51-0293417	0	0		THE GATEWAY GROUP, LTD	DE	DS	HIGHMARK BCBSD INC	OWNERSHIP	100.000	HIGHMARK INC	0
0000		00000	51-033213	0	0		DELAWARE ANCILLARY INSURANCE AGENCY	DE	DS	HIGHMARK BCBSD INC	OWNERSHIP	100.000	HIGHMARK INC	0

Q16.3

## **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?

YES

**Explanation:**

1.

**Bar Code:**

**Highmark Senior Resources Inc.**  
**SCHEDULE A - VERIFICATION**

Real Estate

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

**SCHEDULE B - VERIFICATION**

Mortgage Loans

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

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

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

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	15,110,147	14,220,517
2. Cost of bonds and stocks acquired.....	13,447,797	16,483,011
3. Accrual of discount.....	299	13,803
4. Unrealized valuation increase (decrease).....	10,050	0
5. Total gain (loss) on disposals.....	0	1,414
6. Deduct consideration for bonds and stocks disposed of.....	8,545,000	15,450,482
7. Deduct amortization of premium.....	153,045	158,116
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	19,870,248	15,110,147
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	19,870,248	15,110,147

## 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
<b>BONDS</b>								
1. Class 1 (a).....	33,272,308	22,705,062	22,889,169	(42,116)	31,822,622	33,272,308	33,046,085	33,103,299
2. Class 2 (a).....	0	249,875	0	6	0	0	249,881	0
3. Class 3 (a).....	0	0	0	0	0	0	0	0
4. Class 4 (a).....	0	0	0	0	0	0	0	0
5. Class 5 (a).....	0	0	0	0	0	0	0	0
6. Class 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds.....	33,272,308	22,954,937	22,889,169	(42,110)	31,822,622	33,272,308	33,295,966	33,103,299
<b>PREFERRED STOCK</b>								
8. Class 1.....	0	0	0	0	0	0	0	0
9. Class 2.....	0	0	0	0	0	0	0	0
10. Class 3.....	0	0	0	0	0	0	0	0
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	33,272,308	22,954,937	22,889,169	(42,110)	31,822,622	33,272,308	33,295,966	33,103,299

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(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 \$.....303,186; 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.....	18,457,490	XXX	18,457,853	5,008	3,438

## 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.....	17,993,152	14,967,427
2. Cost of short-term investments acquired.....	90,564,922	147,004,539
3. Accrual of discount.....	0	0
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	90,100,221	143,974,349
7. Deduct amortization of premium.....	363	4,465
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	18,457,490	17,993,152
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	18,457,490	17,993,152

**Sch. DB-Pt A-Verification  
NONE**

**Sch. DB-Pt B-Verification  
NONE**

**Sch. DB-Pt C-Sn 1  
NONE**

**Sch. DB-Pt C-Sn 2  
NONE**

**Sch. DB-Verification  
NONE**

**SCHEDULE E- VERIFICATION**

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	0
2. Cost of cash equivalents acquired.....	2,882	0
3. Accrual of discount.....	0	0
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	2,882	0
7. Deduct amortization of premium.....	0	0
8. Total foreign exchange change in book/ adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	0	0

**Sch. A-Pt 2**  
**NONE**

**Sch. A-Pt 3**  
**NONE**

**Sch. B-Pt 2**  
**NONE**

**Sch. B-Pt 3**  
**NONE**

**Sch. BA-Pt 2**  
**NONE**

**Sch. BA-Pt 3**  
**NONE**



### SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Special Revenue and Special Assessment</b>									
313374 XQ 8	FEDERAL HOME LOAN BANK 2.500% 08/08/17.....		...07/10/2012	G X CLARKE.....		.....621,023	.....620,000	.....6,588	1.....
3134G3 US 7	FEDERAL HOME LOAN MTG B 1.100% 05/22/17.....		...08/13/2012	G X CLARKE.....		.....502,180	.....500,000	.....1,253	1.....
3134G3 YV 6	FEDERAL HOME LOAN MTG B 1.300% 07/16/18.....		...07/13/2012	STIFEL NICOLAUS & CO INC.....		.....500,000	.....500,000	.....0	1.....
3135G0 HK 2	FNMA BOND 0.800% 02/24/16.....		...08/22/2012	G X CLARKE.....		.....250,653	.....250,000	.....994	1.....
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments.....					.....1,873,856	.....1,870,000	.....8,835	.....XXX.....
<b>Bonds - Industrial and Miscellaneous</b>									
02666Q L4 3	AMERICAN HONDA FINANCE 1.000% 08/11/15.....		...09/04/2012	BANC OF AMERICA SECURITIES LLC.....		.....249,478	.....250,000	.....0	1FE.....
278865 AN 0	ECOLAB INC SR BOND 1.000% 08/09/15.....		...08/06/2012	BANC OF AMERICA SECURITIES LLC.....		.....249,875	.....250,000	.....0	2FE.....
452308 AH 2	ILLINOIS TOOL WORKS INC 5.150% 04/01/14.....		...08/29/2012	STIFEL NICOLAUS & CO INC.....		.....273,628	.....255,000	.....5,581	1FE.....
59018Y SU 6	MERRILL LYNCH & CO SR B 5.000% 02/03/14.....		...08/30/2012	WACHOVIACAPITALMARKETSLLC.....		.....522,160	.....500,000	.....2,222	1FE.....
928670 AF 5	VOLKSWAGEN INTL FIN NV 2.875% 04/01/16.....	F.....	...08/30/2012	BEAR STEARNS & CO.....		.....262,358	.....250,000	.....3,075	1FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					.....1,557,499	.....1,505,000	.....10,878	.....XXX.....
8399997.	Total - Bonds - Part 3.....					.....3,431,355	.....3,375,000	.....19,713	.....XXX.....
8399999.	Total - Bonds.....					.....3,431,355	.....3,375,000	.....19,713	.....XXX.....
<b>Common Stocks - Mutual Funds</b>									
72701U 40 1	PLAN INVESTMENT ULTRASH.....		...09/28/2012	Various.....	.....1,308,000	.....13,068	.....XXX.....	.....0	U.....
9299999.	Total - Common Stocks - Mutual Funds.....					.....13,068	.....XXX.....	.....0	.....XXX.....
9799997.	Total - Common Stocks - Part 3.....					.....13,068	.....XXX.....	.....0	.....XXX.....
9799999.	Total - Common Stocks.....					.....13,068	.....XXX.....	.....0	.....XXX.....
9899999.	Total - Preferred and Common Stocks.....					.....13,068	.....XXX.....	.....0	.....XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....					.....3,444,423	.....XXX.....	.....19,713	.....XXX.....

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....1.

QE04

## SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock 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	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation 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)	15 Total Foreign Exchange Change in B./A.C.V.							

**Bonds - U.S. Special Revenue and Special Assessment**

313374	U7	3	FEDERAL HOME LOAN BANK	1.250% 08/10/16	08/10/2012	Call	100.0000	175,000	175,000	175,236	175,212	0	(212)	0	(212)	0	175,000	0	0	0	1,750	08/10/2016	1	
313374	XQ	8	FEDERAL HOME LOAN BANK	2.500% 08/08/17	08/08/2012	Call	100.0000	620,000	620,000	621,023	621,023	0	(1,023)	0	(1,023)	0	620,000	0	0	0	7,750	08/08/2017	1	
313375	AR	8	FEDERAL HOME LOAN BANK	2.000% 08/24/16	08/24/2012	Call	100.0000	500,000	500,000	500,745	500,482	0	(482)	0	(482)	0	500,000	0	0	0	3,750	08/24/2016	1	
3135G0	CN	1	FNMA NTS	0.650% 08/28/14	08/28/2012	Call	100.0000	1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	0	1,000,000	0	0	0	6,482	08/28/2014	1	
3199999.	Total - Bonds - U.S. Special Revenue & Assessment								2,295,000	2,295,000	2,297,004	1,675,694	0	(1,717)	0	(1,717)	0	2,295,000	0	0	0	19,732	XXX	XXX

**Bonds - Industrial and Miscellaneous**

742718	DR	7	PROCTER & GAMBLE CO SR	1.375% 08/01/12	08/01/2012	Maturity		250,000	250,000	252,705	251,138	0	(1,138)	0	(1,138)	0	250,000	0	0	0	3,438	08/01/2012	1FE	
949746	CL	3	WELLS FARGO & CO SUB NT	5.125% 09/01/12	09/01/2012	Maturity		250,000	250,000	267,123	255,601	0	(5,601)	0	(5,601)	0	250,000	0	0	0	12,813	09/01/2012	1FE	
3899999.	Total - Bonds - Industrial & Miscellaneous								500,000	500,000	519,828	506,739	0	(6,739)	0	(6,739)	0	500,000	0	0	0	16,251	XXX	XXX
8399997.	Total - Bonds - Part 4								2,795,000	2,795,000	2,816,832	2,182,433	0	(8,456)	0	(8,456)	0	2,795,000	0	0	0	35,983	XXX	XXX
8399999.	Total - Bonds								2,795,000	2,795,000	2,816,832	2,182,433	0	(8,456)	0	(8,456)	0	2,795,000	0	0	0	35,983	XXX	XXX

**Common Stocks - Mutual Funds**

72701U	40	1	PLAN INVESTMENT ULTRASH		07/01/2012	Direct		366,000	3,652	XXX	3,652	0	0	0	0	0	3,652	0	0	0	0	XXX	U	
9299999.	Total - Common Stocks - Mutual Funds								3,652	XXX	3,652	0	0	0	0	0	0	3,652	0	0	0	0	XXX	XXX
9799997	Total - Common Stocks - Part 4								3,652	XXX	3,652	0	0	0	0	0	0	3,652	0	0	0	0	XXX	XXX
9799999.	Total - Common Stocks								3,652	XXX	3,652	0	0	0	0	0	0	3,652	0	0	0	0	XXX	XXX
9899999.	Total - Preferred and Common Stocks								3,652	XXX	3,652	0	0	0	0	0	0	3,652	0	0	0	0	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks								2,798,652	XXX	2,820,484	2,182,433	0	(8,456)	0	(8,456)	0	2,798,652	0	0	0	35,983	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....1.

QE05

**Sch. DB-Pt A-Sn 1  
NONE**

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

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

**Sch. DB-Pt D  
NONE**

**Sch. DL-Pt. 1  
NONE**

**Sch. DL-Pt. 2  
NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 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**

PNC BANK, N.A. .... Pittsburgh, Pennsylvania.....		.....0.000	.....0	.....0	.....23,808	.....76,918	.....49,421	XXX.
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	.....0	.....0	.....23,808	.....76,918	.....49,421	XXX.
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	.....0	.....0	.....23,808	.....76,918	.....49,421	XXX.
0599999. Total Cash.....	...XXX.....	...XXX.....	.....0	.....0	.....23,808	.....76,918	.....49,421	XXX.

### SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
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**NONE**



**MEDICARE PART D COVERAGE SUPPLEMENT**

(Net of Reinsurance)

NAIC Group Code.....812

NAIC Company Code.....10131

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums collected.....	45,919,840	XXX	4,245,452	XXX	50,165,292
2. Earned premiums.....	47,018,796	XXX	4,357,392	XXX	XXX
3. Claims paid.....	36,787,370	XXX	4,001,715	XXX	40,789,085
4. Claims incurred.....	37,872,891	XXX	4,119,797	XXX	XXX
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a).....	XXX	7,461,816	XXX	760,062	8,221,878
6. Aggregate policy reserves - change.....	0	XXX	0	XXX	XXX
7. Expenses paid.....	(149,855)	XXX	(15,263)	XXX	(165,118)
8. Expenses incurred.....	6,533,428	XXX	665,496	XXX	XXX
9. Underwriting gain or loss.....	2,612,477	XXX	(427,901)	XXX	XXX
10. Cash flow results.....	XXX	XXX	XXX	XXX	1,319,447

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