



HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

Group Hospitalization and Medical Services, Inc.

NAIC Group Code 0380 0380 NAIC Company Code 53007 Employer's ID Number 53-0078070
(Current) (Prior)

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry DC

Country of Domicile United States of America

Licensed as business type: HMDI

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized 08/11/1939 Commenced Business 03/15/1934

Statutory Home Office 840 First Street NE Washington, DC, US 20065
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 10455 Mill Run Circle
(Street and Number) 410-581-3000
Owings Mills, MD, US 21117 (Area Code) (Telephone Number)
(City or Town, State, Country and Zip Code)

Mail Address 10455 Mill Run Circle Owings Mills, MD, US 21117
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10455 Mill Run Circle
(Street and Number) 410-998-7011
Owings Mills, MD, US 21117 (Area Code) (Telephone Number)
(City or Town, State, Country and Zip Code)

Internet Website Address www.carefirst.com

Statutory Statement Contact William Vincent Stack 410-998-7011
(Name) (Area Code) (Telephone Number)
bill.stack@carefirst.com 410-998-6850
(E-mail Address) (FAX Number)

OFFICERS

President and Chief Executive Officer Chester Emerson Burrell Corp. Treasurer & VP Jeanne Ann Kennedy
Corp. Secretary, Exec.VP & Gen. Counsel Meryl Davis Burgin #

OTHER

<u>Gregory Mark Chaney EVP, CFO</u>	<u>Fred Adrian Walton Plumb EVP, SBU - FEP</u>	<u>Michael Thomas Avotins SVP, ASU - Large Groups</u>
<u>Michael Bruce Edwards SVP, Networks Mgmt</u>	<u>Gwendolyn Denise Skilleen SVP, General Auditor</u>	<u>Michael John Felber SVP, Sales</u>
<u>Rita Ann Costello SVP, Strategic Marketing</u>	<u>Maria Harris Tildon SVP, Public Policy</u>	<u>Jon Paul Shematek, M.D. SVP, Chief Medical Officer</u>
<u>Kenny Waitem Kan SVP, Chief Actuary</u>	<u>Wanda Kay Oneferu-Bey SVP, ASU-Consumer Direct</u>	<u>Jennifer Ann Cryor Baldwin # SVP, Patient Centered Medical Home (PCMH)</u>
<u>Steven Jon Margolis SVP, ASU-Small & Medium Groups</u>	<u>Harry Dietz Fox SVP, Technical & Ops Support</u>	<u>Michelle Judith Wright SVP, Human Resources</u>

DIRECTORS OR TRUSTEES

<u>Elizabeth Oliver-Farrow</u>	<u>James Wallace</u>	<u>Larry Donovan Bailey</u>
<u>Carlos Mario Rodriguez</u>	<u>Artis Gail Hampshire-Cowan #</u>	<u>Faye Ford Fields</u>
<u>Natalie Olivia Ludaway</u>	<u>Robert Lee Sloan</u>	<u>Janice Delores Anderson</u>
<u>Bernard Keith Jarvis</u>	<u>Wendell Lee Johns</u>	<u>Jack Allan Meyer</u>
<u>Elena Victoria Rios</u>	<u>Patricia Amelia Rodriguez</u>	

State of Maryland SS:
County of Baltimore

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.

Chester Emerson Burrell Meryl Davis Burgin Jeanne Ann Kennedy
President and Chief Executive Officer Corp. Secretary, Exec. VP & Gen. Counsel Corp. Treasurer & VP

Subscribed and sworn to before me this 8th day of May 2013
Cynthia L. Kipp
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.....



STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

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	534,316,085	0	534,316,085	549,574,934
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	211,943,128	0	211,943,128	179,646,805
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 (\$(135,132,421)), cash equivalents (\$0) and short-term investments (\$65,275,218)	(69,857,203)	0	(69,857,203)	(37,059,787)
6. Contract loans (including \$0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	412,371,034	166,667	412,204,367	401,455,368
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)	1,088,773,044	166,667	1,088,606,377	1,093,617,320
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	3,460,249	0	3,460,249	4,003,396
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	238,712,890	4,205,588	234,507,302	212,721,247
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	16,179,882	0	16,179,882	8,006,603
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	712,570	0	712,570	683,425
17. Amounts receivable relating to uninsured plans	62,952,381	1,034,823	61,917,558	35,677,059
18.1 Current federal and foreign income tax recoverable and interest thereon	11,198,128	0	11,198,128	15,079,432
18.2 Net deferred tax asset	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	114,008,793	101,751,663	12,257,130	9,702,335
21. Furniture and equipment, including health care delivery assets (\$0)	5,036,021	5,036,021	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	4,037,505	0	4,037,505	7,935,737
24. Health care (\$102,360,857) and other amounts receivable	762,900,271	12,454,937	750,445,334	862,666,716
25. Aggregate write-ins for other than invested assets	131,071,876	129,877,026	1,194,850	1,194,850
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,439,043,610	254,526,725	2,184,516,885	2,251,288,120
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	2,439,043,610	254,526,725	2,184,516,885	2,251,288,120
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 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Other Assets	1,194,850	0	1,194,850	1,194,850
2502. Prepaid Expenses - Non-Admitted	44,847,563	44,847,563	0	0
2503. Pension- Prepaid	85,029,463	85,029,463	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	131,071,876	129,877,026	1,194,850	1,194,850

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$13,972,985 reinsurance ceded)	242,203,684	8,819,040	251,022,724	267,054,569
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	10,528,976	383,378	10,912,354	10,812,354
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	659,504,401	0	659,504,401	729,127,798
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	49,612,649	0	49,612,649	53,225,819
9. General expenses due or accrued	53,347,237	0	53,347,237	60,890,545
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized gains (losses))	0	0	0	0
10.2 Net deferred tax liability	14,520,691	0	14,520,691	12,760,049
11. Ceded reinsurance premiums payable	24,952,392	0	24,952,392	23,063,571
12. Amounts withheld or retained for the account of others	37,791,182	0	37,791,182	37,859,472
13. Remittances and items not allocated	8,524,006	0	8,524,006	1,641,518
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	45,239,496	0	45,239,496	46,661,221
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, \$0 unauthorized reinsurers and \$0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$0) 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	10,544,238	0	10,544,238	10,585,684
23. Aggregate write-ins for other liabilities (including \$5,318,457 current)	53,068,993	0	53,068,993	56,534,566
24. Total liabilities (Lines 1 to 23)	1,209,837,945	9,202,418	1,219,040,363	1,310,217,166
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	0	0
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	965,476,520	941,070,954
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$0)	XXX	XXX	0	0
32.2 .....0 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	965,476,520	941,070,954
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,184,516,883	2,251,288,120
DETAILS OF WRITE-INS				
2301. Amounts Withheld for Escheatment	9,528,831	0	9,528,831	8,756,467
2302. Reinsurance Payable	602,905	0	602,905	372,352
2303. Other long term liabilities	42,937,257	0	42,937,257	47,405,747
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	53,068,993	0	53,068,993	56,534,566
2501.	XXX	XXX	0	0
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	2,350,392	2,472,247	9,754,627
2. Net premium income (including \$0 non-health premium income)	XXX	703,370,668	795,526,497	3,204,928,073
3. Change in unearned premium reserves and reserve for rate credits	XXX	69,623,397	12,202,941	(55,616,525)
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	2,962,020	2,651,056	13,573,633
7. Aggregate write-ins for other non-health revenues	XXX	637,785	0	3,039,142
8. Total revenues (Lines 2 to 7)	XXX	776,593,870	810,380,494	3,165,924,323
Hospital and Medical:				
9. Hospital/medical benefits	17,925,811	500,941,823	549,466,550	2,132,505,875
10. Other professional services	933,941	27,677,257	27,557,578	105,418,353
11. Outside referrals	5,985,399	5,985,399	6,563,316	33,578,877
12. Emergency room and out-of-area	114,179	11,219,092	7,016,543	51,534,094
13. Prescription drugs	0	164,611,934	181,116,910	694,981,524
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)	24,959,330	710,435,505	771,720,897	3,018,018,723
Less:				
17. Net reinsurance recoveries	0	32,473,733	48,088,586	174,018,840
18. Total hospital and medical (Lines 16 minus 17)	24,959,330	677,961,772	723,632,311	2,843,999,883
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$15,978,307 cost containment expenses	0	37,258,162	32,128,824	128,148,542
21. General administrative expenses	0	53,254,553	56,130,099	241,650,034
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)	24,959,330	768,474,487	811,891,234	3,213,798,459
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	8,119,383	(1,510,740)	(47,874,136)
25. Net investment income earned	0	2,988,830	4,297,699	18,120,914
26. Net realized capital gains (losses) less capital gains tax of \$1,961,953	0	7,847,813	7,871,815	19,978,096
27. Net investment gains (losses) (Lines 25 plus 26)	0	10,836,643	12,169,514	38,099,010
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	127	(424,414)	(1,577,913)
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	18,956,153	10,234,360	(11,353,039)
31. Federal and foreign income taxes incurred	XXX	1,842,622	823,612	(3,836,559)
32. Net income (loss) (Lines 30 minus 31)	XXX	17,113,531	9,410,748	(7,516,480)
DETAILS OF WRITE-INS				
0601. FEP Performance Incentive	XXX	2,937,000	2,626,000	13,450,000
0602. Trigon network fee - Med D	XXX	25,020	25,056	123,633
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 through 0603 plus 0698)(Line 6 above)	XXX	2,962,020	2,651,056	13,573,633
0701. FEP Bridge	XXX	637,785	0	3,039,142
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 through 0703 plus 0798)(Line 7 above)	XXX	637,785	0	3,039,142
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 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901. Miscellaneous	0	2,865	(419,933)	(1,477,778)
2902. Regulatory fines and fees	0	(2,738)	(4,481)	(100,135)
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 through 2903 plus 2998)(Line 29 above)	0	127	(424,414)	(1,577,913)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	941,070,954	963,581,314	963,581,314
34. Net income or (loss) from Line 32.....	17,113,531	9,410,748	(7,516,480)
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 \$ 2,075,450	14,603,407	19,497,622	27,662,649
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0	0
38. Change in net deferred income tax.....	262,810	(1,396,702)	(13,778,285)
39. Change in nonadmitted assets.....	(5,878,181)	2,661,539	(4,334,829)
40. Change in unauthorized and certified 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.....	(1,696,000)	(39,698,083)	(39,698,083)
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	15,154,668
48. Net change in capital & surplus (Lines 34 to 47).....	24,405,567	(9,524,876)	(22,510,360)
49. Capital and surplus end of reporting period (Line 33 plus 48)	965,476,521	954,056,438	941,070,954
DETAILS OF WRITE-INS			
4701. Change in additional liability\Intangible Assets for pension.....	0	0	15,154,668
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 through 4703 plus 4798)(Line 47 above)	0	0	15,154,668

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	678,930,374	788,076,696	3,164,848,969
2. Net investment income	5,441,767	6,236,274	25,601,390
3. Miscellaneous income	3,599,805	2,651,056	16,612,775
4. Total (Lines 1 to 3)	687,971,946	796,964,026	3,207,063,134
5. Benefit and loss related payments	591,931,273	748,173,029	2,915,111,472
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	114,779,556	86,765,883	369,208,066
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 1,961,953 tax on capital gains (losses)	(76,731)	(172,827)	(279,043)
10. Total (Lines 5 through 9)	706,634,098	834,766,085	3,284,040,495
11. Net cash from operations (Line 4 minus Line 10)	(18,662,152)	(37,802,059)	(76,977,361)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	193,550,828	500,148,581	1,111,556,368
12.2 Stocks	20,183,668	29,757,865	100,504,595
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	(66)	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	213,734,496	529,906,380	1,212,060,963
13. Cost of investments acquired (long-term only):			
13.1 Bonds	175,576,748	514,720,329	1,088,535,784
13.2 Stocks	41,365,387	5,369,062	82,679,405
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)	216,942,135	520,089,391	1,171,215,189
14. Net increase (or 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)	(3,207,639)	9,816,989	40,845,774
Cash from Financing and Miscellaneous Sources			
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)	(10,927,626)	(26,647,840)	(66,431,817)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(10,927,626)	(26,647,840)	(66,431,817)
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)	(32,797,417)	(54,632,910)	(102,563,404)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	(37,059,786)	65,503,618	65,503,618
19.2 End of period (Line 18 plus Line 19.1)	(69,857,203)	10,870,708	(37,059,786)

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

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STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

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	803,048	54,116	287,752	6,342	11,325	22,454	372,065	.0	.0	48,994
2. First Quarter	779,150	53,562	257,749	6,485	11,836	24,973	374,535	.0	.0	50,010
3. Second Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
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	2,350,392	161,728	783,282	19,447	35,645	75,087	1,124,534	0	0	150,669
Total Member Ambulatory Encounters for Period:										
7. Physician	1,484,121	71,080	400,183	20,498	.0	.0	992,360	.0	.0	.0
8. Non-Physician	548,020	30,504	180,184	4,250	0	0	333,082	0	0	0
9. Total	2,032,141	101,584	580,367	24,748	0	0	1,325,442	0	0	0
10. Hospital Patient Days Incurred	30,774	1,670	8,950	789	0	0	19,365	0	0	0
11. Number of Inpatient Admissions	9,243	429	2,525	191	0	0	6,098	0	0	0
12. Health Premiums Written (a)	746,322,040	40,170,017	314,352,791	4,309,918	1,444,845	16,369,407	367,307,594	.0	.0	2,367,468
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	815,945,437	40,170,017	314,352,791	4,309,918	1,444,845	16,369,407	436,930,991	.0	.0	2,367,468
16. Property/Casualty Premiums Earned .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. Amount Paid for Provision of Health Care Services.....	729,958,255	32,715,696	272,009,905	3,869,475	1,179,674	12,511,274	407,192,131	.0	.0	480,100
18. Amount Incurred for Provision of Health Care Services	710,435,506	31,148,399	249,364,528	3,618,969	1,179,674	12,282,374	411,518,461	0	0	1,323,101

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$0

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 Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	76,962,042	206,973,840	14,516,656	62,072,442	91,478,698	97,249,977
2. Medicare Supplement	2,638,291	3,982,513	627,998	2,953,059	3,266,289	4,089,623
3. Dental Only	2,732,533	5,530,547	451,371	2,784,023	3,183,904	3,304,564
4. Vision Only	0	882,559	0	0	0	0
5. Federal Employees Health Benefits Plan	129,092,321	278,099,810	25,593,078	133,961,431	154,685,399	155,228,179
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	546,955	1,492,273	7,095,023	967,642	7,641,978	7,182,227
9. Health subtotal (Lines 1 to 8)	211,972,142	496,961,542	48,284,126	202,738,597	260,256,268	267,054,570
10. Healthcare receivables (a)	0	14,940,063	0	0	0	0
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)	211,972,142	482,021,479	48,284,126	202,738,597	260,256,268	267,054,570

(a) Excludes \$ 94,894,482 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies**A. Accounting Practices**

The financial statements of Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities and Banking (DISB).

The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia. The Company does not utilize any permitted practices.

For the three months ended March 31, 2013 and 2012, there were no differences in net income and surplus between NAIC SAP and practices prescribed by the District of Columbia.

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

No change.

C. Accounting Policy

No change.

2. Accounting Changes and Corrections of Errors**Changes in Accounting Principles**

In March 2012, the NAIC adopted SSAP No. 92 *Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14* (SSAP 92) and SSAP No. 102 *Accounting for Pensions, A Replacement of SSAP No. 89* (SSAP 102). These SSAPs adopt, with modification, Financial Accounting Standards Codification 715 Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans. The primary focus of SSAP 92 and SSAP 102 is to recognize the funded status of a defined benefit postretirement plan in the balance sheets. The SSAPs require elements of plan costs to either be recognized as expense components during the current period, or as adjustments to surplus with future amortization into expense. The SSAPs also eliminate the exclusion of non-vested employees in accounting for a defined benefit postretirement plan. SSAP 92 and SSAP 102 were effective January 1, 2013, with early adoption permitted and the ability to elect a ten-year phase-in period. The Company adopted SSAP 92 and SSAP 102 effective January 1, 2013, and recorded a decrease to surplus of \$1,696,000, net of taxes (refer to Note 12 for further discussion).

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments**A. Mortgage Loans, including Mezzanine Real Estate Loans**

None.

B. Debt Restructuring

None.

C. Reverse Mortgages

None.

D. Loan-backed Securities

- (1) The Company records its investment in loan-backed securities using the prospective adjustment method. Prepayment assumptions for single and multi-class mortgage-backed/other asset-backed securities are obtained from broker survey values. The Company uses IDC to determine the market value for such securities.
- (2) The Company does not have any mortgage-backed/other asset-backed securities which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery.
- (3) For the quarter ended March 31, 2013, the Company did not recognize other than temporary impairment in mortgage-backed/other asset-backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities. At March 31, 2013 the Company did not hold any mortgage-backed or other asset-backed securities where the present value of cash flows expected to be collected is less than the amortized cost basis.
- (4) The following table shows the gross unrealized losses and fair value of the Company's mortgage-backed/other asset-backed securities with unrealized losses that are not deemed to be other than temporarily impaired,

NOTES TO FINANCIAL STATEMENTS

aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at March 31, 2013 (*in thousands*).

	Fair Value < 1 Year	Unrealized Losses < 1 Year	Fair Value > 1 Year	Unrealized Losses > 1 Year	Total Unrealized Losses
March 31, 2013					
Government sponsored enterprise mortgage-backed securities	\$ 80,013	\$ 803	\$ 14,563	\$ 168	\$ 971
Other mortgage-backed and asset-backed securities	15,832	232	2,894	97	329
Total	<u>\$ 95,845</u>	<u>\$ 1,035</u>	<u>\$ 17,457</u>	<u>\$ 265</u>	<u>\$ 1,300</u>

(5) No change.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Real Estate

None.

G. Low-Income Housing Tax Credits (LIHTC)

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. – B. No change.

7. Investment Income

A. – B. No change.

8. Derivative Instruments

None.

9. Income Taxes

The Company is included in the consolidated federal income tax return of CFI. The federal statutory income tax rate for the Company is 35%. For federal income tax purposes, the Company benefits from a special deduction provided to certain BlueCross and BlueShield organizations under Internal Revenue Code Section 833(b) (the 833(b) deduction).

The 833(b) deduction results in the Company incurring income taxes at the Tentative Minimum Tax rate of 20%. As a result, the Company's income tax provision is reduced from the statutory rate of 35% to account for the benefit of the 833(b) deduction. The Company could lose the benefit of the 833(b) deduction in the future if there is a change in the tax law, if the Company ceases to be not-for-profit, if the Company's reserves reach certain levels, if the medical loss ratio does not exceed 85% as required under the Health Reform Legislation, or if certain other events occur. If the Company can no longer use the 833(b) deduction, the Company will incur federal income taxes at the statutory rate of 35%, net of available Alternative Minimum Tax (AMT) credits.

CFI has a written agreement, approved by the Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidated return. The tax sharing agreement calls for allocation of current federal income tax liability to the Company on the basis of the percentage of the consolidated federal income tax liability attributable to the Company computed on a separate company basis to the total consolidated federal income tax liability. The agreement also provides that to the extent the Company's tax attributes (e.g., NOLs) reduce the consolidated federal income tax liability, CFI shall pay the Company for use of such attributes in the year utilized. Amounts due from the subsidiaries for federal income taxes are settled monthly.

Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

NOTES TO FINANCIAL STATEMENTS

The amount of admitted adjusted gross deferred tax assets are as follows (*in thousands*):

	March 31, 2013			December 31, 2012		
	Capital	Ordinary	Total	Capital	Ordinary	Total
Federal income taxes recoverable through loss carryback - 11.a	\$ -	4,604	\$ 4,604	\$ -	\$ 4,604	\$ 4,604
Adjusted Gross DTA expected to be realized (excluding the amount of DTA from 11.a above) after application of the threshold limitation (the lesser of 11.b.i and 11.b.ii below) - 11.b	2,154	7,656	9,810	2,154	7,656	9,810
Adjusted gross DTA expected to be realized following the balance sheet Date -11.b.i	2,154	7,656	9,810	2,154	7,656	9,810
Adjusted gross DTA allowed per limitation threshold - 11.b.ii	-	-	142,983	-	-	139,705
Adjusted gross DTA (excluding the amount of DTA from 11.a and 11.b above) offset by gross DTL - 11.c	(36,998)	8,063	(28,935)	(33,125)	5,951	(27,174)
DTA admitted as the result of application of SSAP No. 101	\$ (34,844)	\$ 20,323	\$ (14,521)	\$ (30,971)	\$ 18,211	\$ (12,760)

	<u>2013</u>	<u>2012</u>
Rate percentage used to determine recovery and threshold limitation amount	15%	15%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 11.b Above	953,219	931,369

The provision for income taxes on earnings for the quarters ended March 31, 2013 and 2012 and year ended December 31, 2012 are as follows (*in thousands*):

	<u>March 31, 2013</u>	<u>March 31, 2012</u>	<u>December 31, 2012</u>	<u>Change</u>
Federal provision (benefit)	\$ 1,843	\$ 824	\$ (3,837)	\$ 1,019
Federal income tax on net capital gains	1,962	1,968	4,995	(6)
Provision for income taxes	<u>\$ 3,805</u>	<u>\$ 2,792</u>	<u>\$ 1,158</u>	<u>\$ 1,013</u>

NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows (*in thousands*):

	<u>March 31, 2013</u>	<u>December 31, 2012</u>	<u>Change</u>	<u>Character</u>
Deferred tax assets:				
Investments	\$ 3,769	\$ 3,769	\$ -	Capital
AMT Credits	21,701	20,381	1,320	Capital
Benefit obligations	7,140	6,738	402	Ordinary
Unpaid claims	741	1,032	(291)	Ordinary
Accrued expenses	4,271	4,188	83	Ordinary
Nonadmitted assets and other	8,181	6,264	1,917	Ordinary
Total deferred tax assets	<u>45,803</u>	<u>42,372</u>	<u>3,431</u>	
Nonadmitted deferred tax assets	<u>-</u>	<u>-</u>	<u>-</u>	
Admitted deferred tax assets	<u>45,803</u>	<u>42,372</u>	<u>3,431</u>	
Deferred tax liabilities:				
Investments	(8,354)	(6,279)	(2,075)	Capital
Investment in affiliate	(51,960)	(48,842)	(3,118)	Capital
Other	(10)	(11)	1	Ordinary
Total deferred tax liabilities	<u>(60,324)</u>	<u>(55,132)</u>	<u>(5,192)</u>	
Net Admitted deferred tax liabilities	<u>\$ (14,521)</u>	<u>\$ (12,760)</u>	<u>\$ (1,761)</u>	

Deferred tax assets are reflected as admitted assets, subject to certain limitations. The components of the net deferred tax asset recognized in the Company's balance sheets—statutory basis are as follows (*in thousands*):

	<u>March 31, 2013</u>	<u>December 31, 2012</u>	<u>Change</u>
Gross deferred tax assets	\$ 45,804	\$ 42,372	\$ 3,432
Deferred tax liabilities	(60,325)	(55,132)	(5,193)
Net deferred tax liability	<u>\$ (14,521)</u>	<u>\$ (12,760)</u>	<u>(1,761)</u>
Tax effect of unrealized (gains) losses			2,075
Change in net deferred income tax			<u>\$ 314</u>

The following table shows the components of the net deferred tax asset and deferred tax liability recognized in the Company's financial statements by tax character (*in thousands*):

	<u>March 31, 2013</u>			<u>December 31, 2012</u>		
	Capital	Ordinary	Total	Capital	Ordinary	Total
Gross deferred tax assets	\$ 25,470	\$ 130,590	\$ 156,060	\$ 24,150	\$ 128,325	\$ 152,475
Statutory valuation allowance	-	(110,257)	(110,257)	-	(110,103)	(110,103)
Adjusted gross deferred tax assets	<u>25,470</u>	<u>20,333</u>	<u>45,803</u>	<u>24,150</u>	<u>18,222</u>	<u>42,372</u>
Deferred tax asset nonadmitted	-	-	-	-	-	-
Net deferred tax asset	<u>25,470</u>	<u>20,333</u>	<u>45,803</u>	<u>24,150</u>	<u>18,222</u>	<u>42,372</u>
Gross deferred tax liabilities	(60,314)	(10)	(60,324)	(55,121)	(11)	(55,132)
Net admitted deferred tax (liability) asset	<u>\$ (34,844)</u>	<u>\$ 20,323</u>	<u>\$ (14,521)</u>	<u>\$ (30,971)</u>	<u>\$ 18,211</u>	<u>\$ (12,760)</u>

The Company has deferred tax assets related to capital investments. If necessary, the Company may implement tax planning strategies including the sale of investments at a gain to utilize these capital deferred tax assets. The impact of tax planning strategies is as follows:

	<u>March 31, 2013</u>			<u>December 31, 2012</u>			<u>Change</u>
	Capital Percent	Ordinary Percent	TOTAL Percent	Capital Percent	Ordinary Percent	TOTAL Percent	
Percentage of adjusted gross deferred tax assets	56%	0%	56%	57%	0%	57%	-1%
Percentage of net admitted adjusted gross deferred tax assets	0%	0%	0%	0%	0%	0%	0%

NOTES TO FINANCIAL STATEMENTS

The provision for income taxes differs from the statutory rate of 35% principally as a result of the 833(b) deduction, permanent items, changes to statutory valuation allowance and provision for tax loss contingencies in accordance with SSAP 101.

The Company is subject to examination by the Internal Revenue Service and state taxing authorities. In general, the Company's tax years 2009 and forward remain open under the statutes of limitation and subject to examination.

The Company is exempt from all state income taxes in the jurisdictions for which it is registered to do business.

10. Information Concerning Parent, Subsidiaries and Affiliates

Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) is a not-for-profit company that provides a comprehensive array of health insurance and managed care products and services primarily through indemnity health insurance and health benefits administration. Other products and services include preferred provider and point-of-service networks, third-party administrator services and other managed care services. These products and services are provided to individuals, businesses and governmental agencies primarily in the Washington, D.C. metropolitan area, Northern Virginia and the state of Maryland.

The Company and CareFirst of Maryland, Inc. (CFMI) are both affiliates of a not-for-profit parent company, CareFirst, Inc. (CFI). These affiliates do business as CareFirst BlueCross BlueShield. The Company and CFMI hold joint interests in a holding company, CareFirst Holdings, LLC (CFH). CFH was formed on December 31, 2010 by contributed assets from the Company and CFMI. Since control over CFH operations is vested in CFI, GHMSI determined that neither GHMSI nor CFMI exercise control over CFH. CFH's wholly-owned subsidiaries include First Care, Inc. (FirstCare), National Capital Insurance Agency, LLC, Capital Area Services Company, LLC, CFA, LLC and CareFirst BlueChoice, Inc. and its subsidiaries. CFH and its subsidiaries are owned 50.001% by CFMI and 49.999% by GHMSI.

11. Debt

None.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

Effective January 1, 2013, the Company adopted SSAP 102 and SSAP 92. For SSAP 102, the Company recorded the full transition liability of \$781,000 as a decrease to surplus. For SSAP 92, the Company elected the phase-in option for the full transition liability of \$9,670,000 and accordingly, recorded \$967,000 as a decrease to surplus. The SSAP 92 transition liability amortization to be recorded as a decrease to surplus over the phase-in period is as follows (*in thousands*):

Year	Transition Liability - Beginning Balance	Amortization Amount	Transition Liability - Ending Balance
2013	\$ 9,670	\$ 967	\$ 8,703
2014	8,703	967	7,736
2015	7,736	967	6,769
2016	6,769	967	5,802
2017	5,802	967	4,835
2018	4,835	967	3,868
2019	3,868	967	2,901
2020	2,901	967	1,934
2021	1,934	967	967
2022	967	967	—

The components of net periodic benefit cost for the three months ended March 31, 2013 and 2012 are as follows (*in thousands*):

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Service cost	\$ 2,137	\$ 2,088	\$ 252	\$ 319
Interest cost	3,212	3,268	341	207
Expected return on plan assets	(6,094)	(6,019)	—	—
Amortization of transition (asset) liability	—	(662)	—	71
Amortization of prior service cost	32	48	—	—
Net recognized actuarial loss	2,250	2,380	23	—
Net periodic benefit cost for the three months ended March 31	\$ 1,537	\$ 1,103	\$ 616	\$ 597

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

(1) No change.

(2) – (9) Not applicable.

(10) Change in net unrealized capital gains (losses) for the three months ended March 31, 2013:

NOTES TO FINANCIAL STATEMENTS

Change in the unrealized gains (losses) from:

Affiliated common stocks:

CareFirst Holdings	\$	26,658
CareFirst BlueChoice		8,803,201
FirstCare		604,241
CFA		524,111
CASCI		741,416
NCIA		49,371
Unaffiliated common stocks		5,953,039
Bonds		(23,180)
Total unrealized gains (losses)		<u>16,678,857</u>
Capital gains deferred taxes		<u>(2,075,450)</u>

Change in net unrealized capital gains (losses)

less capital gains taxes (page 5 line 36) **\$ 14,603,407**

(11) – (13) Not applicable.

14. Contingencies

A. Contingent Commitments

None.

B. Assessments

In the jurisdictions in which the Company is licensed to conduct business, guaranty associations have been created for the purpose, among others, of protecting insured parties covered under health insurance policies. The Company is contingently liable for assessments in any calendar year, in order to provide any required funds to carry out the power and duties of the associations. These associations levy assessments, up to prescribed limits, on all member insurers in a particular state on the basis of the proportionate share of the premiums written by member insurers in the line of business in which the impaired, insolvent or failed insurer is engaged. Some states permit member insurers to recover assessments through full or partial premium tax offsets.

The Pennsylvania Insurance Commissioner has placed long-term care insurer Penn Treaty Network America Insurance Company and one of its subsidiaries (collectively, "Penn Treaty") in rehabilitation, an intermediate action before insolvency, and has petitioned a state court for liquidation. If Penn Treaty is liquidated, the Company and other insurers may be required to pay a portion of Penn Treaty's policyholder claims through guaranty association assessments in future periods. The Company is currently unable to predict the ultimate outcome of, or reasonably estimate the loss or range of losses resulting from, this potential insolvency because the Company cannot predict when the state court will render a decision, the amount of the insolvency, if any, the amount and timing of associated guaranty association assessments or the amount or availability of potential offsets, such as premium tax offsets. It is possible that in future reporting periods the Company may record a liability and a premium tax offset receivable relating to Penn Treaty which could have a material adverse effect on the Company's financial statements.

C. Gain Contingencies

None.

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

None.

E. All Other Contingencies

The Company insures individuals and provides administrative services to non-risk groups with members who are qualified Medicare beneficiaries. Medicare law identifies the primary payer and secondary payer of claims when individuals are insured by either the Company or an employer and Medicare. Principally as a result of information systems programming errors, the Company incorrectly paid certain claims in years prior to 2009 as the secondary payer rather than as the primary payer for individuals that were insured by the Company. The issues were communicated to Centers for Medicare and Medicaid Services (CMS) in May 2009. The Company has implemented corrective measures to (1) correctly identify Medicare beneficiaries that should be paid primary and (2) modify information systems to correctly adjudicate claims on behalf of Medicare beneficiaries.

Based on its interpretation of Medicare law, the Company believes it is liable for improperly processed claims for the period from January 1, 2006 to December 31, 2008. In 2009, CFI provided CMS with the data of the incorrectly paid claims and offered to settle its obligations to CMS for \$19,000,000. Accordingly, CFI recorded a liability of \$19,000,000 at December 31, 2009 for this proposed settlement, of which \$9,885,000 was recorded by the Company, which is included in other liabilities. The settlement remains subject to government approval. While there can be no assurances that the settlement will be accepted, or that CMS will accept the Company's legal interpretation that Medicare law limits its liability in this matter to the Company's proposed settlement amount, the

NOTES TO FINANCIAL STATEMENTS

Company's management, after consultation with legal counsel, does not believe the final resolution of this matter will result in additional material liabilities to the Company. The Company has received demand letters from CMS regarding certain of these individual claims. At December 31, 2012, based on the claims processed in response to these demand letters and its ongoing evaluation of the Company's liability for this matter, the Company released a portion of the reserves that had been established in 2009. As of March 31, 2013, the Company's remaining liability was \$7,467,000.

During 2012, the Company discovered an unrelated processing error related to the handling of claims for Medicare members of certain non-risk groups between the years from 2009 to 2012. This error was promptly corrected once identified by the Company. As a result, CFI recorded an additional liability of \$4,800,000, of which \$1,143,000 was recorded by the Company representing the Company's best estimate of its portion of liability to CMS. Management believes, after consultation with legal counsel, that the final resolution of this matter will not result in additional material liabilities to the Company. There was no additional amount recorded to this liability since December 31, 2012.

15. Leases**A. Lessee Operating Lease**

No change.

B. Lessor Leases

Not applicable.

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

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**A. Transfers of Receivables Reported as Sales**

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

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**

Not applicable.

B. ASC Plans

The results from operations of uninsured ASC plans and the uninsured portion of partially insured plans were as follows for the three months ended March 31, 2013 and 2012 (*in thousands*):

	March 31	
	2013	2012
Gross reimbursement for medical costs incurred	\$ 274,124	\$ 297,289
Gross administrative fees accrued	19,170	19,271
Gross expenses incurred	(292,122)	(317,275)
Operating gain (loss), before stop loss	\$ 1,172	\$ (715)
Stop loss, net	1,288	2,446
Proforma operating gain	<u>\$ 2,460</u>	<u>\$ 1,731</u>

The stop loss amount reported represents stop loss written for the ASC business shown above.

For the three months ended March 31, 2013, GHMSI ceded an ASC underwriting loss of \$611,000 to CFMI and assumed an ASC underwriting gain of \$1,145,000 from CFMI for a net underwriting gain of \$1,756,000. For the three months ended March 31, 2012, GHMSI ceded an ASC underwriting loss of \$749,000 to CFMI and assumed an ASC underwriting loss of \$79,000 from CFMI for a net underwriting gain of \$670,000.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

NOTES TO FINANCIAL STATEMENTS

Not applicable.

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

Not applicable.

20. Fair Value Measurements

Included in various investment-related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stocks when carried at the lower of cost or market. SSAP No. 100 *Fair Value Measurements* defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value. The fair value hierarchy is as follows:

- Level 1 – Quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 – Other observable inputs, either directly or indirectly.
- Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset. Management is responsible for the determination of fair value, and performs monthly analyses on the prices received from third parties to determine whether the prices appear to be reasonable estimates of fair value.

There were no transfers between Level 1 and Level 2 during the three months ended March 31, 2013.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Bonds. The fair value of U.S. Treasury securities is determined by an active price for an identical security in an observable market and is therefore classified as Level 1. Other U.S. government agencies securities, state and municipal securities, foreign governments securities, corporate bonds, mortgage-backed securities and other asset-backed securities that are priced by independent pricing services using observable inputs are classified as Level 2. Observable inputs used for other U.S. government agencies securities include quoted prices for like or similar assets, benchmark yields, reported trades and credit spreads. Observable inputs used for state and municipal securities, foreign governments securities and corporate bonds include quoted prices for identical or similar assets that are traded in an active market, benchmark yields, new issuances, issuer ratings, reported trades of comparable securities and credit spreads. The fair value of mortgage-backed securities and other asset-backed securities is determined by a cash flow model, which utilizes observable inputs such as quoted prices for identical or similar assets, benchmark yields, prepayment speeds, collateral performance, credit spreads, and default rates at commonly quoted intervals.

Stocks. Fair value of publicly-traded equity index funds where market quotes are available but are not considered actively traded are classified as Level 2. Net asset value of the fixed income index fund invested in U.S. Treasury inflation-protected securities (USTIPS) is calculated as of the close of business of the New York Stock Exchange. Fair value of the fixed income index fund where a market quote is available but is not considered actively traded is classified as Level 2. Fair values of privately held equity securities, where there has been limited trading activity or where less price transparency exists around the inputs to the valuation, are classified as Level 3.

The following table presents information about the Company's financial instruments measured and reported at fair value as of March 31, 2013 (*in thousands*):

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value as of March 31, 2013
Assets				
Bonds	\$ —	\$ 100	\$ —	\$ 100
Common stocks				
Large capital equity index fund	—	29,890	—	29,890
Small capital equity index fund	—	49,735	—	49,735
International equity index fund	—	68,927	—	68,927
Publicly-traded fixed income index fund (a)	—	59,136	—	59,136
Privately-held equity securities	—	—	4,255	4,255
Total common stocks	—	207,688	4,255	211,943
Total assets measured and reported at fair value	\$ —	\$ 207,788	\$ 4,255	\$ 212,043

NOTES TO FINANCIAL STATEMENTS

(a) Represent investments in USTIPS.

A reconciliation of the beginning and ending balances of privately held equity securities measured at fair value using Level 3 inputs at March 31, 2013 is as follows (*in thousands*):

Beginning balance at January 1, 2013	\$ 4,121
Unrealized gains in capital and surplus—statutory basis	134
Ending balance at March 31, 2013	<u>\$ 4,255</u>
Change in unrealized losses included in net losses related to assets still held	<u>\$ —</u>

The following table presents information about the aggregate fair value of the Company's financial instruments as of March 31, 2013 (*in thousands*):

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Aggregate Fair Value as of March 31, 2013	Admitted Assets
Bonds	\$ 83,994	\$ 464,735	\$ —	\$ 548,729	\$ 534,316
Common stocks	—	207,688	4,255	211,943	211,943
Total assets at fair value	<u>\$ 83,994</u>	<u>\$ 672,423</u>	<u>\$ 4,255</u>	<u>\$ 760,672</u>	<u>\$ 746,259</u>

As of March 31, 2013, the Company has no financial instruments for which it is not practicable to estimate fair value.

21. Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures

Not applicable.

D. Uncollectible Balances

Not applicable.

E. Business Interruption Insurance Recoveries

Not applicable.

F. State Transferable Tax Credits

Not applicable.

G. Subprime-Mortgage-Related Risk Exposure

- (1) The Company categorizes mortgage securities with an average FICO score of less than 675 (credit score) as a subprime mortgage security. The Company has no subprime mortgage securities as of March 31, 2013.
- (2) The Company does not engage in mortgage lending and therefore has no direct exposure through investments in subprime mortgage loans.
- (3) The Company has no exposure in subprime mortgage lending through its fixed maturity and equity investments.

H. Retained Assets

Not applicable.

22. Events Subsequent

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance**A. Ceded Reinsurance Report**

The Company maintains a quota-share reinsurance contract with FirstCare, a plan sponsor offering Medicare Part D prescription drug insurance coverage under a contract with CMS. The Company assumed risk premiums in the amount of \$1,608,000 and \$2,161,000, and incurred an underwriting (loss) gain in the amount of \$(242,000) and \$32,000, for the three months ended March 31, 2013 and 2012, respectively.

Certain business has been written by CFMI and GHMSI which represents contracts outside the historic CFMI and GHMSI service areas (cross-jurisdictional sales). The income or loss from operations from this cross-jurisdictional business is transferred via a quota share reinsurance contract from the company that earned them to the company in whose service area they were earned. The Company remains obligated for amounts ceded in the event that CFMI does not meet its obligations. As a result of this reinsurance agreement, the following amounts were assumed from and ceded to CFMI for the three months ended March 31, 2013 and 2012 (*in thousands*):

	March 31	
	2013	2012
Premiums assumed	\$ 13,066	\$ 14,648
Premiums ceded	(57,629)	(73,186)
Premiums, net	(44,563)	(58,538)
Cost of care assumed	8,280	10,746
Cost of care ceded	(42,251)	(60,584)
Cost of care, net	(33,971)	(49,838)
General and administrative expenses ceded, net	(10,613)	(12,581)
Net loss ceded	\$ 21	\$ 3,881

B. Uncollectible Reinsurance

Not Applicable.

C. Commutation of Ceded Reinsurance

Not Applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. – C. Not applicable.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act are as follows (*in thousands*):

	Other				Total
	Individual	Small Group Employer	Large Group Employer	Categories with Rebates	
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ (4,410)	\$ 2,214	\$ –	\$ –	\$ (2,196)
(2) Medical loss ratio rebates paid	–	3,964	–	–	3,964
(3) Medical loss ratio rebates unpaid	–	–	–	–	–
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	–
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ –
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ –	\$ –	\$ –	\$ –	\$ –
(8) Medical loss ratio rebates paid	–	–	–	–	–
(9) Medical loss ratio rebates unpaid	–	–	–	–	–
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	–
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ –

25. Change in Incurred Claims and Claim Adjustment Expenses

NOTES TO FINANCIAL STATEMENTS

As of March 31, 2013, \$211,972,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$48,284,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been a \$6,798,000 favorable prior year development since December 31, 2012 to March 31, 2013, of which \$543,000 was a result of favorable development in the Federal Employee Program line of business. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

No change.

B. Risk Sharing Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserve

1. Liability carried for premium deficiency reserves: \$11,420,000 within aggregate health policy reserves
2. Date of the most recent evaluation of this liability: March 31, 2013
3. Was anticipated investment income utilized in the calculation? No

31. Salvage and Subrogation

No change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.2 If the response to 3.1 is yes, provide a brief description of those changes.
- 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 the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/29/2009
- 6.4 By what department or departments?
District of Columbia Department of Insurance, Securities and Banking
- 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

GENERAL INTERROGATORIES

- 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 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
- 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
- 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
- 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
- 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
- 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 | \$ 401,455,368 | \$ 412,204,367 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$ 401,455,368 | \$ 412,204,367 |
| 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.

GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- | | | |
|--|----------|---|
| 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 0 |
| 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 0 |
| 16.3 Total payable for securities lending reported on the liability page | \$ | 0 |

17. 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 []

17.1 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
SunTrust Bank	1445 New York Ave, Washington DC 20005

17.2 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)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No []

17.4 If yes, give full information relating thereto:

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

17.5 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
15958	Vanguard	P.O. Box 2900, Valley Forge, PA 19482
104596	Dodge & Cox	55 California St., San Francisco, CA 94104
105496	T. Rowe Price	100 E. Pratt Street, Baltimore, MD 21202

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

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
- 1.1 A&H loss percent89.8 %
 - 1.2 A&H cost containment percent2.1 %
 - 1.3 A&H expense percent excluding cost containment expenses9.6 %
- 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

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						

STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

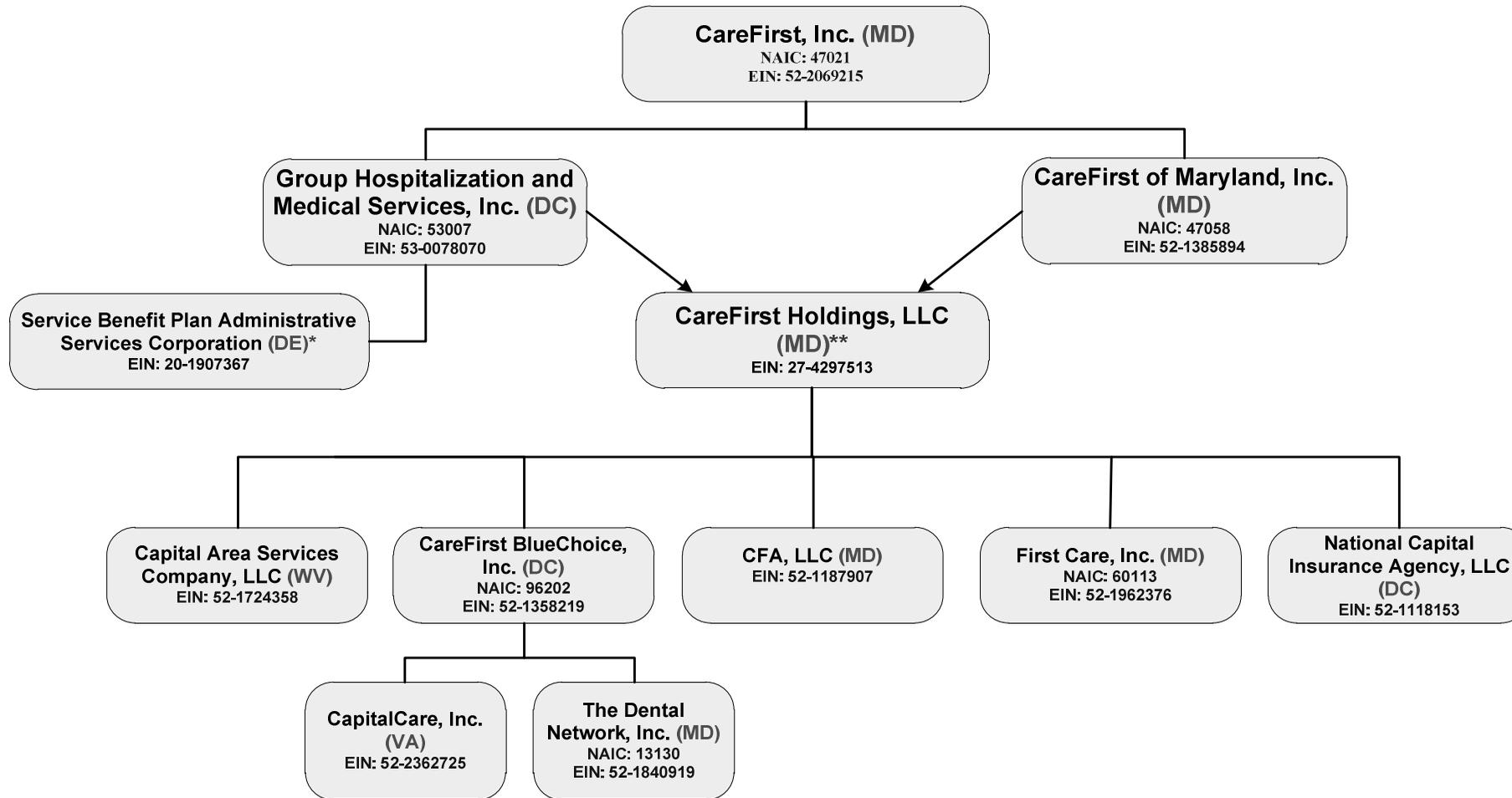
States, etc.	1 Active Status	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type 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	L	119,967,578	0	0	69,045,083	0	189,012,661	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	L	136,455,392	0	0	161,321,671	0	297,777,063	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	N	0	0	0	0	0	0	0	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	L	122,591,476	0	0	136,940,840	0	259,532,316	0	0
48. Washington WA	N	0	0	0	0	0	0	0	0
49. West Virginia WV	N	0	0	0	0	0	0	0	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 CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Aliens OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	379,014,446	0	0	367,307,594	0	746,322,040	0	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61. Totals (Direct Business)	(a) 3	379,014,446	0	0	367,307,594	0	746,322,040	0	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	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.

Enrollment and billing systems capture and report premiums by group situs except for Federal Employees Health Benefits Program (FEHBP). FEHBP premiums from members residing in the United States are reported based on the members' residence whereas premiums from overseas members are reported in D.C.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**



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*Service Benefit Plan Administrative Services Corporation is owned 90% by Group Hospitalization and Medical Services, Inc. and 10% by the Blue Cross and Blue Shield Association.

**CareFirst Holdings, LLC is owned 50.001% by CareFirst of Maryland, Inc. and 49.999% by Group Hospitalization and Medical Services, Inc.

STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

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)	*
.0380	Carefirst Inc Group	47021	52-2069215				CareFirst, Inc.	MD	IA			0.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	53007	53-0078070				Group Hospitalization and Medical Services, Inc.	DC		CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	47058	52-1385894				CareFirst of Maryland, Inc.	MD	IA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
		00000	20-1907367				Service Benefit Plan Administrative Services Corporation	DE	DS	Group Hospitalization and Medical Services, Inc.	Ownership	90.000	CareFirst, Inc.	
		00000	27-4297513				CareFirst Holdings, LLC	MD	NIA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
		00000	52-1724358				Capital Area Services Company, LLC	WV	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	96202	52-1358219				CareFirst BlueChoice, Inc.	DC	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-1187907				CFA, LLC	MD	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	60113	52-1962376				First Care, Inc.	MD	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-1118153				National Capital Insurance Agency, LLC	DC	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-2362725				CapitalCare, Inc.	VA	NIA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	13130	52-1840919				The Dental Network, Inc.	MD	IA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	

Asterisk	Explanation
	N/A

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:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. Pension - Intangible	0	0	0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0

Additional Write-ins for Liabilities Line 23

	Current Period			4 Prior Year Total
	1 Covered	2 Uncovered	3 Total	
2304.	0	0	0	0
2305.	0	0	0	0
2397. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0

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 and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
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	401,622,035	399,931,403
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)	10,748,999	1,690,632
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)	412,371,034	401,622,035
12. Deduct total nonadmitted amounts	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12)	412,204,367	401,455,368

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	729,221,778	743,561,585
2. Cost of bonds and stocks acquired	216,942,135	1,171,215,189
3. Accrual of discount	52,020	317,160
4. Unrealized valuation increase (decrease)	5,929,855	9,099,147
5. Total gain (loss) on disposals	9,809,770	24,972,482
6. Deduct consideration for bonds and stocks disposed of	213,734,496	1,212,060,963
7. Deduct amortization of premium	1,961,810	7,882,822
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)	746,259,252	729,221,778
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	746,259,252	729,221,778

STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	469,699,598	256,926,568	219,573,969	809,010	507,861,207	0	0	469,699,598
2. Class 2 (a)	92,228,475	16,969,089	15,990,249	(2,751,007)	90,456,308	0	0	92,228,475
3. Class 3 (a)	0	0	0	0	0	0	0	0
4. Class 4 (a)	385,349	0	1,406	(474)	383,469	0	0	385,349
5. Class 5 (a)	951,370	0	57,528	(3,540)	890,302	0	0	951,370
6. Class 6 (a)	18	0	0	0	18	0	0	18
7. Total Bonds	563,264,810	273,895,657	235,623,152	(1,946,011)	599,591,304	0	0	563,264,810
PREFERRED STOCK								
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	563,264,810	273,895,657	235,623,152	(1,946,011)	599,591,304	0	0	563,264,810

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

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	65,275,218	xxx	65,292,656	11,647	1,671

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	13,689,876	172,197,558
2. Cost of short-term investments acquired	98,318,908	124,704,040
3. Accrual of discount	137	51
4. Unrealized valuation increase (decrease)	(3,017)	5,137
5. Total gain (loss) on disposals	0	143
6. Deduct consideration received on disposals	46,720,524	283,170,589
7. Deduct amortization of premium	10,162	46,464
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)	65,275,218	13,689,876
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	65,275,218	13,689,876

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

N O N E

Schedule DB - Part B - Verification - Futures Contracts

N O N E

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

N O N E

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

N O N E

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of
Derivatives

N O N E

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	0	0
2. Cost of cash equivalents acquired	0	1,955,294
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	0	1,950,000
7. Deduct amortization of premium	0	5,294
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

Schedule A - Part 2 - Real Estate Acquired and Additions Made

N O N E

Schedule A - Part 3 - Real Estate Disposed

N O N E

Schedule B - Part 2 - Mortgage Loans Acquired

N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired

N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

N O N E

STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
36202F-M7-8	GNMA 11 POOL #004882 4.000% 12/20/		.03/05/2013	SALOMON SMITH BARNEY INC/		289,636	266,408	533	1
36179M-2N-9	GNMA PASS-THRU M SINGLE FAMILY		.02/28/2013	CREDIT SUISSE FIRST BOSTO		304,989	305,323	382	1
36179M-VR-8	GNMA PASS-THRU M SINGLE FAMILY		.01/10/2013	BANC AMERICA SECURITIES L		509,275	483,926	847	1
36179M-X2-1	GNMA PASS-THRU M SINGLE FAMILY		.02/28/2013	VARIOUS		548,765	548,676	686	1
38378B-P8-6	GNMA REMIC TRUST 2012-123		.01/16/2013	UBS FINANCIAL SERVICES IN		1,994,895	1,989,920	1,209	1
912810-FP-8	UNITED STATES TREAS BDS		.02/21/2013	CREDIT SUISSE FIRST BOSTO		827,391	600,000	624	1
912810-QE-1	UNITED STATES TREAS BDS		.02/08/2013	VARIOUS		828,543	635,000	13,156	1
912810-QY-7	UNITED STATES TREAS BDS		.02/13/2013	BOENNING & SCATTERGOOD IN		10,890,000	12,000,000	89,337	1
912810-QZ-4	UNITED STATES TREAS BDS		.03/11/2013	VARIOUS		23,991,655	24,395,000	42,950	1
912828-LC-2	UNITED STATES TREAS NTS		.02/08/2013	RBC CAPITAL MARKETS CORP		683,306	660,000	526	1
912828-RC-6	UNITED STATES TREAS NTS		.01/02/2013	BANC AMERICA SECURITIES L		120,040	115,000	936	1
912828-TY-6	UNITED STATES TREAS NTS		.01/02/2013	BOENNING & SCATTERGOOD IN		4,908,398	5,000,000	10,998	1
912828-UA-6	UNITED STATES TREAS NTS		.03/20/2013	BARCLAYS CAPITAL INC		561,689	565,000	1,077	1
912828-UE-8	UNITED STATES TREAS NTS		.01/02/2013	BOENNING & SCATTERGOOD IN		22,998,203	23,000,000	1,430	1
912828-OP-3	UNITED STATES TREAS NTS TIPS		.01/09/2013	SALOMON SMITH BARNEY INC/		220,910	170,500	2,033	1
0599999. Subtotal - Bonds - U.S. Governments						69,677,695	70,734,753	166,724	XXX
68323A-BM-5	PROVINCE OF ONTARIO	I	.02/22/2013	RBC CAPITAL MARKETS CORP		1,498,635	1,500,000	5,592	1FE
500769-FP-4	KREDITANSTALT FUR WIEDERAUFBAU	R	.02/20/2013	RBC CAPITAL MARKETS CORP		258,169	259,000	0	1FE
84633P-AB-9	SPAIN KINGDOM 144A	R	.02/20/2013	BARCLAYS CAPITAL INC		996,830	1,000,000	0	2FE
1099999. Subtotal - Bonds - All Other Governments						2,753,634	2,759,000	5,592	XXX
13063A-7D-0	CALIFORNIA ST GO BDS TAXABLE		.01/25/2013	CITIGROUP GLOBAL MARKET I		4,069,889	2,900,000	69,979	1FE
574193-GX-0	MARYLAND ST		.03/13/2013	CITIGROUP GLOBAL MARKET I		200,279	165,000	69	1FE
1799999. Subtotal - Bonds - U.S. States, Territories and Possessions						4,270,168	3,065,000	70,048	XXX
3133EC-CA-0	FEDERAL FARM CR BKS		.01/03/2013	U.S. BANCORP PIPER JAFFRA		5,752,773	5,850,000	460	1
3128MD-M3-4	FHLMC PC GOLD COMB 15		.01/30/2013	MORGAN STANLEY & CO. INC		1,076,896	1,016,239	1,468	1
3128MD-MX-8	FHLMC PC GOLD COMB 15		.01/18/2013	UBS SECURITIES LLC		3,840,178	3,590,000	12,066	1
3128MJ-O9-4	FHLMC PC GOLD COMB 30		.01/08/2013	UBS FINANCIAL SERVICES IN		7,910,012	7,431,603	9,393	1
3137AY-CD-1	FHLMC REMIC SERIES K-025		.02/04/2013	BANC AMERICA SECURITIES L		137,698	135,000	84	1
3137BO-3W-2	FHLMC REMIC SERIES K-502		.03/01/2013	BARCLAYS CAPITAL INC		81,598	80,000	41	1
31416W-5Z-1	FNMA PASS-THRU INT 20 YEAR		.02/20/2013	CHASE SECURITIES, INC		1,140,613	1,070,998	1,309	1
3138AT-EX-4	FNMA PASS-THRU LNG 30 YEAR		.01/08/2013	UBS FINANCIAL SERVICES IN		3,703,806	3,450,918	4,985	1
3138EK-F5-9	FNMA PASS-THRU LNG 30 YEAR		.01/09/2013	BANC AMERICA SECURITIES L		184,064	170,577	277	1
3138NX-KF-3	FNMA PASS-THRU LNG 30 YEAR		.01/08/2013	UBS FINANCIAL SERVICES IN		5,234,344	4,992,519	5,409	1
3138NY-EY-7	FNMA PASS-THRU LNG 30 YEAR		.01/08/2013	UBS FINANCIAL SERVICES IN		5,228,577	4,987,019	5,403	1
3138W6-BV-7	FNMA PASS-THRU LNG 30 YEAR		.03/04/2013	NOMURA SECURITIES/FIX INC		266,910	257,651	236	1
3138W6-BW-5	FNMA PASS-THRU LNG 30 YEAR		.03/12/2013	NOMURA SECURITIES/FIX INC		455,778	444,526	519	1
31417D-LP-6	FNMA PASS-THRU LNG 30 YEAR		.03/12/2013	BANC AMERICA SECURITIES L		1,340,753	1,274,773	1,735	1
31417E-CK-5	FNMA PASS-THRU LNG 30 YEAR		.01/31/2013	BNP PARIBAS SECS CORP/BON		294,143	284,540	261	1
31417E-WG-2	FNMA PASS-THRU LNG 30 YEAR		.02/22/2013	NOMURA SECURITIES/FIX INC		1,022,202	992,429	910	1
31417F-U2-2	FNMA PASS-THRU LNG 30 YEAR		.03/05/2013	BNP PARIBAS SECS CORP/BON		266,832	257,537	236	1
3138MR-LL-3	FNMA PASS-THRU LNG 30 YEAR		.02/11/2013	GOLDMAN, SACHS & CO.		1,265,839	1,198,591	1,440	1
47770V-AZ-3	JOBSOHO BEVERAGE SYS OHIO STA		.01/29/2013	CHASE SECURITIES, INC		75,000	75,000	0	1FE
73358W-AH-7	PORT AUTH N Y & N J		.02/05/2013	GOLDMAN, SACHS & CO.		1,289,850	1,000,000	10,904	1FE
92813T-EE-6	VIRGINIA ST HSG DEV AUTH HOME0		.03/11/2013	RAYMOND JAMES & ASSOCIATE		1,000,000	1,000,000	2,347	1FE
3199999. Subtotal - Bonds - U.S. Special Revenues						41,567,866	39,559,920	59,483	XXX
023772-AA-4	AMER AIRLINES 144A		.03/05/2013	DEUTSCHE BANK SECURITIES		85,000	85,000	0	2AM
05377R-BD-5	AVIS BUDGET RENTAL FDG 2013-1 144A		.03/21/2013	VARIOUS		280,556	280,000	32	1FE
05524V-AA-5	BAMLL TRUST 2011-FSHN 144A		.01/17/2013	UBS FINANCIAL SERVICES IN		828,841	715,000	1,931	1FM
06051G-ET-2	BANK AMER CORP		.03/19/2013	BANC AMERICA SECURITIES L		1,000,170	1,000,000	3,944	1FE
05490A-AA-1	BB-UBS TRUST 2012-TFT 144A		.01/10/2013	UBS FINANCIAL SERVICES IN		2,369,000	2,300,000	2,587	1FM
101137-AK-3	BOSTON SCIENTIFIC CORP		.03/15/2013	BARCLAYS CAPITAL INC		1,509,001	1,300,000	14,083	2FE
13975E-AE-3	CAPITAL AUTO RECV ABN 2013-1		.01/15/2013	BANC AMERICA SECURITIES L		19,999	20,000	0	1FE
13975E-AF-0	CAPITAL AUTO RECV ABN 2013-1		.01/15/2013	BANC AMERICA SECURITIES L		19,998	20,000	0	1FE
151020-AH-7	CELGENE CORP		.01/29/2013	BANC AMERICA SECURITIES L		265,517	265,000	4,115	2FE
172967-GK-1	CITIGROUP INC		.02/07/2013	CANTOR FITZGERALD & CO		611,022	600,000	270	2FE
12624N-AA-8	COMM MTG TR 2012-LTRT 144A		.01/17/2013	LPL FINANCIAL CORPORATION		1,519,477	1,470,936	1,932	1FM
205887-BR-2	CONAGRA FOODS INC		.03/01/2013	WACHOVIA SECURITIES CAPIT		200,314	200,000	729	2FE
20826F-AA-4	CONOCOPHILLIPS CO		.01/02/2013	BOENNING & SCATTERGOOD IN		1,992,420	2,000,000	4,000	1FE
23311V-AD-9	DCP MIDSTREAM OPERATING PL		.03/11/2013	RBC CAPITAL MARKETS CORP		88,846	90,000	0	2FE
25459H-BH-7	DIRECTV HLDGS LLC / DIRECTV		.03/11/2013	VARIOUS		1,096,246	1,115,000	2,868	2FE
29273R-AS-8	ENERGY TRANSFER PRTRNS L P		.01/14/2013	WACHOVIA SECURITIES CAPIT		169,828	170,000	0	2FE

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STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
29379V-AZ-6	ENTERPRISE PRODS OPER LLC		.03/11/2013	CHASE SECURITIES, INC.		199,816	200,000	.0	2FE
30161M-AG-8	EXELON GENERATION CO LLC		.01/03/2013	BOENNING & SCATTERGOOD IN		1,422,888	1,205,000	20,293	2FE
30219G-AF-5	EXPRESS SCRIPTS HLDG CO		.01/08/2013	EXCHANGE		324,517	315,000	.0	2FE
30290W-AE-5	FREMIF MTG TR 2012-K23 144A		.03/20/2013	GOLDMAN, SACHS & CO.		15,157	15,000	.37	1FM
30290X-AN-3	FREMIF MTG TR 2013-K24 144A		.01/09/2013	WACHOVIA SECURITIES CAPIT		53,987	55,000	.123	1FE
36962G-KK-5	GENERAL ELEC CAP CORP MTN BE		.01/03/2013	LINSCO/PRIVATE LEDGER COR		1,005,000	1,000,000	2,133	1FE
36962G-KZ-2	GENERAL ELEC CAP CORP MTN BE		.03/11/2013	MERRILL LYNCH PROFESSNL C		1,713,530	1,345,000	45,142	1FE
37254E-AR-2	GEORGE WASHINGTON UNIVERSITY		.03/07/2013	MERRILL LYNCH PROFESSNL C		1,329,042	1,300,000	11,678	1FE
38141G-RC-0	GOLDMAN SACHS GROUP INC		.01/16/2013	GOLDMAN, SACHS & CO.		99,958	100,000	.0	1FE
38141G-RD-8	GOLDMAN SACHS GROUP INC		.02/19/2013	GOLDMAN, SACHS & CO.		181,265	180,000	.544	1FE
36191Y-BB-3	GS MTG SECS TR 2011-GC5		.01/10/2013	UBS FINANCIAL SERVICES IN		1,110,000	1,000,000	1,442	1FM
36192H-AA-2	GS MTG SECS TR 2012-ALOHA 144A		.01/16/2013	UBS FINANCIAL SERVICES IN		2,166,250	2,000,000	4,143	1FM
402524-AE-2	GULF SOUTH PIPELINE CO LP		.01/28/2013	EXCHANGE		186,706	185,000	.0	2FE
44107T-AU-0	HOTEL & RESORTS LP		.03/19/2013	CHASE SECURITIES, INC.		39,978	40,000	.0	2FE
40428H-PH-9	HSBC USA INC NEW		.01/03/2013	LINSCO/PRIVATE LEDGER COR		2,009,714	2,000,000	1,625	1FE
45685E-AC-0	ING US 144A		.02/06/2013	CHASE SECURITIES, INC.		104,815	105,000	.0	2FE
458140-AL-4	INTEL CORP		.02/25/2013	MERRILL LYNCH PROFESSNL C		3,010,290	3,000,000	8,663	1FE
458200-HK-0	INTERNATIONAL BUSINESS MACHS		.02/05/2013	HSBC SECURITIES, INC.		263,786	265,000	.0	1FE
46635T-AU-6	JP MORGAN CHASE CMBS 2011-C3 144A		.01/10/2013	RAYMOND JAMES & ASSOCIATE		1,715,625	1,500,000	2,924	1FM
46636D-AE-6	JP MORGAN CHASE CMBS 2011-C4 144A		.01/11/2013	UBS FINANCIAL SERVICES IN		2,031,750	1,800,000	3,080	1FM
46625H-JD-3	JPMORGAN CHASE & CO		.02/06/2013	CHASE SECURITIES, INC.		132,926	120,000	255	1FE
501810-AH-1	LCOR ALEXANDRIA L L C 144A		.02/05/2013	RAYMOND JAMES & ASSOCIATE		926,423	750,000	7,508	2
524901-AP-0	LEGG MASON INC		.02/21/2013	EXCHANGE		990,565	1,000,000	.0	2FE
58013M-EQ-3	MCDONALDS CORP MED TERM NT BE		.01/11/2013	MIZUHO SECURITIES USA INC		2,037,320	2,000,000	4,896	1FE
58155Q-AF-0	MCKESSON CORP		.03/05/2013	CHASE SECURITIES, INC.		144,706	145,000	.0	1FE
59217G-AY-5	METROPOLITAN LIFE GLOBAL FDG 144A		.01/10/2013	LINSCO/PRIVATE LEDGER COR		999,500	1,000,000	208	1FE
594918-AH-7	MICROSOFT CORP		.01/04/2013	LINSCO/PRIVATE LEDGER COR		2,150,000	2,000,000	16,333	1FE
61746B-DJ-2	MORGAN STANLEY		.02/20/2013	MORGAN STANLEY & CO. INC		129,528	130,000	.0	1FE
61747W-AL-3	MORGAN STANLEY		.02/14/2013	MORGAN STANLEY & CO. INC		177,029	155,000	521	1FE
620076-BC-2	MOTOROLA SOLUTIONS INC		.02/25/2013	MORGAN STANLEY & CO. INC		93,886	95,000	.0	2FE
63858S-BC-2	NATIONSBANK CORP MTN SUB NT BE		.02/22/2013	RAYMOND JAMES & ASSOCIATE		475,000	400,000	13,175	2FE
63946C-AD-0	NBCUNIVERSAL ENTERPRISE INC 144A		.03/20/2013	CHASE SECURITIES, INC.		119,932	120,000	.46	1FE
63946B-AH-3	NBCUNIVERSAL MEDIA LLC		.01/09/2013	SALOMON SMITH BARNEY INC/		139,156	140,000	1,107	1FE
709699-AL-8	PENSKE TRUCK LEASING CO L P 144A		.01/14/2013	CHASE SECURITIES, INC.		44,902	45,000	.0	1FE
71854E-AC-8	PHILLIPS 66		.01/18/2013	EXCHANGE		93,316	90,000	.0	2FE
758202-AH-8	REED ELSEVIER CAP INC 144A		.03/28/2013	EXCHANGE		1,096,841	1,181,000	.0	2FE
82651Y-AA-3	SIERRA RECEIVABLES FDG 144A		.03/12/2013	DEUTSCHE BANK SECURITIES		154,967	155,000	.0	1FE
84755T-AE-7	SPECTRA ENERGY CAP LLC		.02/25/2013	MORGAN STANLEY & CO. INC		199,354	200,000	.0	2FE
883556-AZ-5	THERMO FISHER SCIENTIFIC INC		.01/10/2013	MCDONALD & COMPANY SECURI		1,055,670	1,000,000	15,000	2FE
88713U-AA-4	TIMBERSTAR TRUST 2006-1 144A		.01/17/2013	BOENNING & SCATTERGOOD IN		1,145,200	1,000,000	3,464	1FE
90270Y-BG-3	UBS-BARCLY CMOL MTG TR 2013-C5		.02/15/2013	UBS FINANCIAL SERVICES IN		1,287,495	1,250,000	2,519	1FE
92976G-AJ-0	WACHOVIA BK NATL ASSN MTN SUB		.01/02/2013	BOENNING & SCATTERGOOD IN		1,382,810	1,000,000	31,533	1FE
942683-AF-0	WATSON PHARMACEUTICALS INC		.01/29/2013	BANC AMERICA SECURITIES L		264,862	265,000	2,847	2FE
948741-AJ-2	WEINGARTEN RLTY INVS		.03/19/2013	BANC AMERICA SECURITIES L		44,788	45,000	.0	2FE
94973V-AR-8	WELLPOINT INC		.03/07/2013	BANC AMERICA SECURITIES L		995,496	800,000	4,200	2FE
92935J-AC-9	WF-RBS COML MTG TR 2011-C2 144A		.01/10/2013	UBS FINANCIAL SERVICES IN		1,849,659	1,705,000	2,514	1FM
96332H-CF-4	WHLRPOOL CORP SERA MTN BE		.03/01/2013	VARIOUS		136,590	135,000	.97	2FE
98978V-AA-1	ZOETIS INC 144A		.01/16/2013	BARCLAYS CAPITAL INC		699,230	700,000	.0	2FE
98978V-AD-5	ZOETIS INC 144A		.01/16/2013	CHASE SECURITIES, INC.		4,999	5,000	.0	1FE
98978V-AF-0	ZOETIS INC 144A		.01/16/2013	VARIOUS		284,838	285,000	.0	2FE
06366R-HA-6	BMO BANK OF MONTREAL	I.	.03/07/2013	LINSCO/PRIVATE LEDGER COR		1,002,740	1,000,000	.39	1FE
78008S-VD-5	ROYAL BK OF CDA BD CDS	I.	.01/07/2013	RBC CAPITAL MARKETS CORP		204,744	205,000	.0	1FE
28268B-AF-8	ENEL FIN INTL S A 144A	R.	.03/15/2013	CHASE SECURITIES, INC.		455,539	475,000	12,904	2FE
43474T-AA-1	HOLCIM US FINANCE 144A	R.	.02/27/2013	CANTOR FITZGERALD & CO		17,585	15,000	160	2FE
404280-AH-2	HSBC HLDGS PLC	R.	.01/28/2013	GOLDMAN, SACHS & CO.		1,886,985	1,500,000	36,833	1FE
46115H-AG-2	INTESA SANPAOLO S P A 144A	R.	.01/07/2013	CHASE SECURITIES, INC.		199,932	200,000	.0	2FE
71645W-AR-2	PETROBRAS INTL FIN CO	R.	.02/14/2013	VARIOUS		991,098	900,000	2,016	2FE
822582-AD-4	SHELL INTERNATIONAL FIN BV	R.	.01/03/2013	BOENNING & SCATTERGOOD IN		1,404,770	1,000,000	4,073	1FE
87927V-AU-2	TELECOM ITALIA CAP	R.	.03/22/2013	GOLDMAN, SACHS & CO.		510,975	450,000	9,886	2FE
91911T-AM-5	VALE OVERSEAS LTD	R.	.02/14/2013	BARCLAYS CAPITAL		135,777	130,000	589	2FE
961214-BZ-5	WESTPAC BKG CORP	R.	.01/07/2013	BANC AMERICA SECURITIES L		199,942	200,000	.0	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					57,307,384	53,231,936	311,041	XXX

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STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

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 Desig- nation or Market Indicator (a)
8399997. Total - Bonds - Part 3									
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds									
8999997. Total - Preferred Stocks - Part 3						175,576,747	169,350,609	612,888	XXX
8999998. Total - Preferred Stocks - Part 5						0	XXX	0	XXX
8999999. Total - Preferred Stocks						XXX	XXX	XXX	XXX
921909-82-6 VANGUARD DEVELOPED MKTS INDEX INST						2,028,397.566	20,000,000	0	L
922908-88-4 VANGUARD EXTENDED MKT INDEX INSTL						209,058.210	10,017,283	0	L
922031-74-5 VANGUARD FIXED INCOME SECS FD						969,599.814	11,209,178	0	L
922040-10-0 VANGUARD INSTITUTIONAL INDEX FUND						970.833	138,926	0	L
9299999. Subtotal - Common Stocks - Mutual Funds						41,365,387	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						41,365,387	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						41,365,387	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						41,365,387	XXX	0	XXX
9999999 - Totals						216,942,134	XXX	612,888	XXX

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

STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	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 (a)
36179M-CH-1	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		11,095	11,095	11,599	11,599	0	(504)	0	(504)	0	11,095	0	0	0	43	05/20/2027	1
36179M-EL-0	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		4,479	4,479	4,770	4,770	0	(292)	0	(292)	0	4,479	0	0	0	18	06/20/2027	1
36179M-GN-4	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		15,334	15,334	16,332	16,332	0	(999)	0	(999)	0	15,334	0	0	0	70	07/20/2027	1
36179M-K6-6	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	VARIOUS		275,170	263,041	276,706	276,714	0	(558)	0	(558)	0	276,156	0	(987)	(987)	1,553	08/20/2042	1
36179M-MX-5	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		9,602	9,602	10,113	10,117	0	(514)	0	(514)	0	9,602	0	0	0	36	09/20/2042	1
36179M-NH-9	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		6,188	6,188	6,748	6,749	0	(561)	0	(561)	0	6,188	0	0	0	31	09/20/2042	1
36179M-VR-8	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		2,572	2,572	2,706	2,706	0	(135)	0	(135)	0	2,572	0	0	0	10	12/20/2042	1
36202F-2M-7	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		371,268	371,268	398,765	398,805	0	(27,538)	0	(27,538)	0	371,268	0	0	0	2,019	01/20/2042	1
36202F-KS-4	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		271,085	271,085	307,682	307,739	0	(36,654)	0	(36,654)	0	271,085	0	0	0	1,699	09/20/2040	1
36202F-MA-1	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		59,801	59,801	64,965	65,001	0	(5,200)	0	(5,200)	0	59,801	0	0	0	322	11/20/2040	1
36202F-UF-1	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		168,342	168,342	183,756	183,835	0	(15,492)	0	(15,492)	0	168,342	0	0	0	1,062	06/20/2041	1
36202F-ZY-5	GNMA PASS-THRU M SINGLE FAMILY		03/20/2013	PRINCIPAL RECEIPT		371,565	371,565	399,084	399,124	0	(27,559)	0	(27,559)	0	371,565	0	0	0	1,915	12/20/2041	1
36241K-T4-0	GNMA PASS-THRU X PLATINUM 30YR		03/15/2013	PRINCIPAL RECEIPT		361,139	361,139	396,971	397,979	0	(36,540)	0	(36,540)	0	361,139	0	0	0	2,924	08/15/2038	1
36241L-DM-5	GNMA PASS-THRU X PLATINUM 30YR		03/15/2013	PRINCIPAL RECEIPT		121,096	121,096	131,882	131,906	0	(10,810)	0	(10,810)	0	121,096	0	0	0	1,130	11/15/2039	1
36176X-KP-3	GNMA PASS-THRU X SINGLE FAMILY		03/15/2013	PRINCIPAL RECEIPT		42,626	42,626	44,977	44,972	0	(2,346)	0	(2,346)	0	42,626	0	0	0	233	04/15/2042	1
3620AS-EQ-8	GNMA PASS-THRU X SINGLE FAMILY		03/15/2013	PRINCIPAL RECEIPT		187,179	187,179	204,200	204,286	0	(17,107)	0	(17,107)	0	187,179	0	0	0	1,205	04/15/2041	1
3620CO-ZY-3	GNMA PASS-THRU X SINGLE FAMILY		03/15/2013	PRINCIPAL RECEIPT		104,308	104,308	114,641	114,734	0	(10,426)	0	(10,426)	0	104,308	0	0	0	696	07/15/2040	1
3620CO-ZB-7	GNMA PASS-THRU X SINGLE FAMILY		03/15/2013	PRINCIPAL RECEIPT		178,538	178,538	196,225	196,384	0	(17,846)	0	(17,846)	0	178,538	0	0	0	1,390	06/15/2040	1
36296T-SS-3	GNMA PASS-THRU X SINGLE FAMILY		03/15/2013	PRINCIPAL RECEIPT		76,552	76,552	85,379	85,527	0	(8,976)	0	(8,976)	0	76,552	0	0	0	701	10/15/2038	1
36296X-UP-0	GNMA PASS-THRU X SINGLE FAMILY		03/15/2013	PRINCIPAL RECEIPT		282,817	282,817	315,430	315,978	0	(33,161)	0	(33,161)	0	282,817	0	0	0	3,105	01/15/2039	1
36225A-4V-9	GNMA POOL #780836		03/15/2013	PRINCIPAL RECEIPT		1,865	1,865	1,981	1,926	0	(62)	0	(62)	0	1,865	0	0	0	0	04/15/2020	1
38378B-P8-6	GNMA REMIC TRUST 2012-123		03/16/2013	PRINCIPAL RECEIPT		6,758	6,758	6,775	0	0	(17)	0	(17)	0	6,758	0	0	0	3	07/16/2046	1
83162C-LT-8	SMALL BUS ADMIN GTD DEV PTC		03/01/2013	PRINCIPAL RECEIPT		37,023	37,023	39,522	37,023	0	0	0	0	0	37,023	0	0	0	1,133	09/01/2021	1
83162C-KM-4	SMALL BUSINESS ADMIN GTD 00-20A		01/01/2013	PRINCIPAL RECEIPT		6,024	6,024	6,024	6,024	0	0	0	0	0	6,024	0	0	0	0	01/01/2020	1
83162C-EV-1	SMALL BUSINESS ADMIN GTD 93-201		03/01/2013	PRINCIPAL RECEIPT		12,011	12,011	12,791	12,046	0	(35)	0	(35)	0	12,011	0	0	0	354	09/01/2013	1
912810-EX-2	UNITED STATES TREAS BDS		02/05/2013	VARIOUS		776,204	776,204	791,117	785,298	0	(907)	0	(907)	0	784,390	0	(8,186)	(8,186)	15,100	08/15/2026	1
912810-PP-8	UNITED STATES TREAS BDS		03/12/2013	VARIOUS		930,085	675,000	977,197	973,063	0	(2,203)	0	(2,203)	0	970,859	0	(40,775)	(40,775)	19,872	02/15/2031	1
912810-QE-1	UNITED STATES TREAS BDS		03/19/2013	VARIOUS		2,452,113	1,865,000	2,550,844	2,542,730	0	(2,190)	0	(2,190)	0	2,540,541	0	(88,428)	(88,428)	43,422	02/15/2040	1
912810-QY-7	UNITED STATES TREAS BDS		02/21/2013	WHEAT FIRST-1ST CLEARING		11,034,375	12,000,000	10,890,000	0	0	493	0	493	0	10,890,493	0	143,882	143,882	89,337	11/15/2042	1
912810-QZ-4	UNITED STATES TREAS BDS		03/18/2013	VARIOUS		23,772,656	24,000,000	23,594,062	0	0	178	0	178	0	23,594,240	0	178,416	178,416	42,472	02/15/2043	1
912828-NC-0	UNITED STATES TREAS NTS		01/02/2013	BOENNING & SCATTERGOOD IN		3,012,656	3,000,000	3,035,039	3,004,560	0	(34)	0	(34)	0	3,004,526	0	8,130	8,130	5,584	05/15/2013	1
912828-NH-9	UNITED STATES TREAS NTS		01/02/2013	BOENNING & SCATTERGOOD IN		4,016,562	4,000,000	4,016,562	4,002,588	0	(16)	0	(16)	0	4,002,572	0	13,990	13,990	2,349	06/15/2013	1
912828-PE-4	UNITED STATES TREAS NTS		01/30/2013	VARIOUS		4,094,244	4,000,000	4,091,107	4,077,262	0	(2,173)	0	(2,173)	0	4,075,089	0	19,155	19,155	12,845	10/31/2015	1
912828-QC-7	UNITED STATES TREAS NTS		01/02/2013	BOENNING & SCATTERGOOD IN		1,012,578	1,000,000	1,008,047	1,003,532	0	(8)	0	(8)	0	1,003,525	0	9,054	9,054	2,747	04/15/2014	1
912828-QE-3	UNITED STATES TREAS NTS		02/05/2013	BARCLAYS CAPITAL BOENNING & SCATTERGOOD IN		1,201,449	1,200,000	1,205,207	1,201,500	0	(441)	0	(441)	0	1,201,059	0	390	390	2,072	04/30/2013	1
912828-OS-2	UNITED STATES TREAS NTS		01/02/2013	IN		5,035,547	5,000,000	5,070,313	5,036,232	0	(68)	0	(68)	0	5,036,163	0	(616)	(616)	1,957	06/15/2014	1
912828-RC-6	UNITED STATES TREAS NTS		01/04/2013	UBS WARBURG		119,056	119,056	120,040	120,040	0	(3)	0	(3)	0	120,037	0	(981)	(981)	79,333	04/01/2034	1FE
912828-RK-8	UNITED STATES TREAS NTS		03/22/2013	VARIOUS		1,869,982	1,870,000	1,867,882	1,868,598	0	266	0	266	0	1,868,865	0	1,117	1,117	930	09/30/2013	1
912828-RV-4	UNITED STATES TREAS NTS		01/02/2013	BOENNING & SCATTERGOOD IN		4,996,289	5,000,000	4,983,398	4,988,909	0	16	0	16	0	4,988,924	0	7,365	7,365	652	12/15/2014	1
912828-TR-1	UNITED STATES TREAS NTS		01/02/2013	BOENNING & SCATTERGOOD IN		4,938,477	5,000,000	4,939,063	4,940,774	0	23	0	23	0	4,940,797	0	(2,320)	(2,320)	13,049	09/30/2019	1
912828-TT-7	UNITED STATES TREAS NTS		01/02/2013	BOENNING & SCATTERGOOD IN		4,983,008	5,000,000	4,980,859	4,982,154	0	18	0	18	0	4,982,171	0	837	837	2,747	10/15/2015	1
912828-BD-1	UNITED STATES TREAS NTS TIPS		03/15/2013	VARIOUS		990,295	772,500	1,002,631	993,073	(17,327)	(4,190)	0	(21,517)	0	971,556	0	18,739	18,739	10,520	07/15/2013	1
0599999	Subtotal - Bonds - U.S. Governments					78,220,013	77,984,807	78,363,393	43,629,543	(17,327)	(264,571)	0	(281,898)	0	77,961,230	0	258,782	258,782	288,296	XXX	XXX
13063A-5E-0	CALIFORNIA ST GO		01/25/2013	VARIOUS		4,503,040	3,200,000	3,377,439	3,374,162	0	(303)	0	(303)	0	3,373,860	0	1,129,180	1,129,180	79,333	04/01/2034	1FE
13063A-5G-5	CALIFORNIA ST GO		02/20/2013	VARIOUS		1,146,002	800,000	785,953	786,372	0	24	0	24	0	786,396	0	359,606	359,606	22,776	04/01/2039	1FE
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions					5,649,042	4,000,000	4,163,392	4,160,534	0	(279)	0	(279)	0	4,160,256	0	1,488,786	1,488,786	102,109	XXX	XXX
3137EA-DL-0	FEDERAL HOME LN MTG CORP		03/12/2013	NOMURA SECURITIES INTL		266,443	265,000	266,882	266,780	0	(73)	0	(73)	0	266,707	0	(264)	(264)	1,207	09/29/2017	1
313560-GY-3	FEDERAL NATL MTG ASSN		03/12/2013	BNP PARIBAS SECURITIES BO		270,568	265,000	267,627	267,246	0	(106)	0	(106)	0	267,140	0	3,428	3,428	2,052	01/30/2017	1

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STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	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 (a)
313560-MZ-3	FEDERAL NATL MTG ASSN		03/12/2013	BARCLAYS CAPITAL INC		265,221	265,000	265,728	265,688	.0	(16)	.0	(16)	.0	265,672	.0	(451)	(451)	1,256	08/28/2017	1
313560-PQ-0	FEDERAL NATL MTG ASSN		03/12/2013	MORGAN STANLEY & CO. INC		519,438	520,000	520,181	520,172	.0	(7)	.0	(7)	.0	520,165	.0	(727)	(727)	1,732	10/26/2017	1
3128LX-S7-6	FHLMC GOLD #602342		03/15/2013	PRINCIPAL RECEIPT		177,107	177,107	192,576	192,563	.0	(15,456)	.0	(15,456)	.0	177,107	.0	.0	.0	1,529	10/01/2036	1
3128M5-K5-8	FHLMC GOLD #603616		03/15/2013	PRINCIPAL RECEIPT		118,864	118,864	131,864	131,864	.0	(12,988)	.0	(12,988)	.0	118,864	.0	.0	.0	1,255	12/01/2037	1
3128M5-NQ-9	FHLMC GOLD #603699		03/15/2013	PRINCIPAL RECEIPT		87,698	87,698	95,660	95,615	.0	(7,916)	.0	(7,916)	.0	87,698	.0	.0	.0	953	01/01/2038	1
3128MT-6K-9	FHLMC PC GOLD 10/20 11		03/15/2013	PRINCIPAL RECEIPT		82,896	82,896	92,299	92,233	.0	(9,337)	.0	(9,337)	.0	82,896	.0	.0	.0	653	09/01/2037	1
3128UN-CE-0	FHLMC PC GOLD 10/20 11		03/15/2013	PRINCIPAL RECEIPT		48,426	48,426	49,130	49,114	.0	(688)	.0	(688)	.0	48,426	.0	.0	.0	561	09/01/2037	1
3128PR-ZK-8	FHLMC PC GOLD 15 YR		03/15/2013	PRINCIPAL RECEIPT		99,401	99,401	104,340	104,119	.0	(4,718)	.0	(4,718)	.0	99,401	.0	.0	.0	372	07/01/2025	1
31288B-6V-0	FHLMC PC GOLD CASH 30		03/15/2013	PRINCIPAL RECEIPT		179,450	179,450	181,973	181,829	.0	(2,380)	.0	(2,380)	.0	179,450	.0	.0	.0	1,760	11/01/2032	1
31292H-GP-3	FHLMC PC GOLD CASH 30		03/15/2013	PRINCIPAL RECEIPT		1,051	1,051	1,064	1,062	.0	(11)	.0	(11)	.0	1,051	.0	.0	.0	13	12/01/2030	1
31292S-AB-6	FHLMC PC GOLD CASH 30		03/15/2013	PRINCIPAL RECEIPT		114,774	114,774	119,670	119,715	.0	(4,942)	.0	(4,942)	.0	114,774	.0	.0	.0	630	06/01/2042	1
31292S-AG-5	FHLMC PC GOLD CASH 30		03/15/2013	PRINCIPAL RECEIPT		36,695	36,695	39,275	39,289	.0	(2,594)	.0	(2,594)	.0	36,695	.0	.0	.0	203	08/01/2042	1
3128MC-4J-1	FHLMC PC GOLD COMB 15		03/15/2013	PRINCIPAL RECEIPT		64,445	64,445	68,578	68,583	.0	(4,138)	.0	(4,138)	.0	64,445	.0	.0	.0	411	08/01/2026	1
3128MC-GV-1	FHLMC PC GOLD COMB 15		03/15/2013	PRINCIPAL RECEIPT		27,930	27,930	30,395	30,369	.0	(2,440)	.0	(2,440)	.0	27,930	.0	.0	.0	250	02/01/2024	1
3128MC-QG-3	FHLMC PC GOLD COMB 15		03/15/2013	PRINCIPAL RECEIPT		74,334	74,334	79,843	79,826	.0	(5,492)	.0	(5,492)	.0	74,334	.0	.0	.0	548	06/01/2025	1
3128MD-JG-9	FHLMC PC GOLD COMB 15		03/15/2013	PRINCIPAL RECEIPT		457,217	457,217	495,652	495,244	.0	(38,027)	.0	(38,027)	.0	457,217	.0	.0	.0	3,863	07/01/2025	1
3128MD-KB-8	FHLMC PC GOLD COMB 15		03/15/2013	PRINCIPAL RECEIPT		401,993	401,993	430,321	430,290	.0	(28,297)	.0	(28,297)	.0	401,993	.0	.0	.0	2,805	07/01/2026	1
3128MM-AG-8	FHLMC PC GOLD COMB 15		03/15/2013	PRINCIPAL RECEIPT		51,725	51,725	55,628	54,945	.0	(3,221)	.0	(3,221)	.0	51,725	.0	.0	.0	458	08/01/2019	1
31283H-GC-4	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		84,533	84,533	86,157	86,077	.0	(1,544)	.0	(1,544)	.0	84,533	.0	.0	.0	940	12/01/2032	1
31283H-GD-2	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		37,719	37,719	38,559	38,500	.0	(781)	.0	(781)	.0	37,719	.0	.0	.0	427	12/01/2031	1
3128LD-FV-1	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		31,140	31,140	34,332	34,354	.0	(3,214)	.0	(3,214)	.0	31,140	.0	.0	.0	311	10/01/2037	1
3128M5-B7-4	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		87,829	87,829	96,447	96,678	.0	(8,850)	.0	(8,850)	.0	87,829	.0	.0	.0	862	09/01/2037	1
3128M5-C5-7	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		173,365	173,365	192,516	192,379	.0	(19,015)	.0	(19,015)	.0	173,365	.0	.0	.0	1,750	10/01/2037	1
3128M5-GQ-7	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		146,691	146,691	162,896	162,779	.0	(16,088)	.0	(16,088)	.0	146,691	.0	.0	.0	1,394	07/01/2037	1
3128M5-QY-9	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		309,680	309,680	342,712	343,372	.0	(33,692)	.0	(33,692)	.0	309,680	.0	.0	.0	3,503	01/01/2038	1
3128M6-EC-8	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		249,961	249,961	270,544	270,671	.0	(20,709)	.0	(20,709)	.0	249,961	.0	.0	.0	2,106	02/01/2037	1
3128M6-GL-3	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		244,419	244,419	268,861	269,133	.0	(24,714)	.0	(24,714)	.0	244,419	.0	.0	.0	2,152	12/01/2038	1
3128M6-AW-4	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		73,875	73,875	79,877	79,998	.0	(6,123)	.0	(6,123)	.0	73,875	.0	.0	.0	680	01/01/2040	1
3128M6-BE-0	FHLMC PC GOLD COMB 30		01/15/2013	VARIOUS		4,733,400	4,409,890	4,590,420	4,590,244	.0	(5,790)	.0	(5,790)	.0	4,584,453	.0	148,947	148,947	20,904	10/01/2040	1
3128M6-CW-2	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		18,732	18,732	21,074	21,101	.0	(2,369)	.0	(2,369)	.0	18,732	.0	.0	.0	207	09/01/2038	1
3128M6-HG-2	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		7,176	7,176	7,568	7,562	.0	(387)	.0	(387)	.0	7,176	.0	.0	.0	46	12/01/2040	1
3128M6-R3-0	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		12,566	12,566	13,525	13,527	.0	(960)	.0	(960)	.0	12,566	.0	.0	.0	81	12/01/2040	1
3128M6-TZ-2	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		69,787	69,787	76,106	76,201	.0	(6,414)	.0	(6,414)	.0	69,787	.0	.0	.0	571	09/01/2040	1
3128M9-B7-6	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		892,387	892,387	988,179	988,764	.0	(96,377)	.0	(96,377)	.0	892,387	.0	.0	.0	9,169	05/01/2041	1
3128M9-FP-2	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		411,978	411,978	455,750	456,614	.0	(44,636)	.0	(44,636)	.0	411,978	.0	.0	.0	3,784	01/01/2040	1
3128M9-Q4-5	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		40,900	40,900	43,252	43,278	.0	(2,378)	.0	(2,378)	.0	40,900	.0	.0	.0	233	01/01/2042	1
3128M9-RM-4	FHLMC PC GOLD COMB 30		01/15/2013	VARIOUS		5,649,049	5,335,633	5,609,084	5,608,897	.0	(11,010)	.0	(11,010)	.0	5,597,886	.0	51,163	51,163	22,063	05/01/2042	1
312936-NA-1	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		113,235	113,235	120,825	120,935	.0	(7,700)	.0	(7,700)	.0	113,235	.0	.0	.0	807	10/01/2039	1
312941-SV-0	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		17,471	17,471	18,664	18,664	.0	(1,193)	.0	(1,193)	.0	17,471	.0	.0	.0	112	08/01/2040	1
312943-DQ-3	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		79,077	79,077	85,576	85,635	.0	(6,558)	.0	(6,558)	.0	79,077	.0	.0	.0	577	10/01/2040	1
312943-LU-0	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		28,173	28,173	30,096	30,097	.0	(1,924)	.0	(1,924)	.0	28,173	.0	.0	.0	180	11/01/2040	1
312944-FE-6	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		8,213	8,213	8,691	8,696	.0	(483)	.0	(483)	.0	8,213	.0	.0	.0	51	12/01/2040	1
312945-DS-4	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		3,436	3,436	3,619	3,621	.0	(185)	.0	(185)	.0	3,436	.0	.0	.0	22	01/01/2041	1
312945-XY-9	FHLMC PC GOLD COMB 30		03/15/2013	PRINCIPAL RECEIPT		24,739	24,739	26,112	26,127	.0	(1,387)	.0	(1,387)	.0	24,739	.0	.0	.0	165	02/01/2041	1
3132GK-2F-2	FHLMC PC GOLD PC 30YR		03/15/2013	PRINCIPAL RECEIPT		12,524	12,524	13,394	13,398	.0	(874)	.0	(874)	.0	12,524	.0	.0	.0	77	12/01/2041	1
3132GL-DR-2	FHLMC PC GOLD PC 30YR		03/15/2013	PRINCIPAL RECEIPT		234,889	234,889	250,340	250,550	.0	(15,661)	.0	(15,661)	.0	234,889	.0	.0	.0	1,374	12/01/2041	1
3132HM-K9-1	FHLMC PC GOLD PC 30YR		03/15/2013	PRINCIPAL RECEIPT		52,766	52,766	56,203	56,224	.0	(3,458)	.0	(3,458)	.0	52,766	.0	.0	.0	313	09/01/2042	1
3132HQ-4K-5	FHLMC PC GOLD PC 30YR		03/15/2013	PRINCIPAL RECEIPT		4,353	4,353	4,556	4,560	.0	(207)	.0	(207)	.0	4,353	.0	.0	.0	26	01/01/2043	1
31290K-VZ-9	FHLMC PC GUAR 30-YEAR		03/15/2013	PRINCIPAL RECEIPT		605	605	617	610	.0	(5)	.0	(5)	.0	605	.0	.0	.0	7	07/01/2020	1
31322Y-U3-3	FHLMC PC JUMBO 30 YEAR		03/15/2013	PRINCIPAL RECEIPT		71,389	71,389	72,326	72												

STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	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 (a)
31392F-DC-8	FNMA GRANTOR TRUST 2002-T16		03/25/2013	PRINCIPAL RECEIPT		24,614	24,614	25,229	25,079	.0	(465)	.0	(465)	.0	24,614	.0	.0	.0	246	07/25/2042	1
31381D-YY-5	FNMA PASS-THRU GNM-BK MGA 30		03/25/2013	PRINCIPAL RECEIPT		728	728	737	734	.0	(6)	.0	(6)	.0	728	.0	.0	.0	9	05/20/2023	1
31405F-D5-8	FNMA PASS-THRU GOV SNGLE FAM		03/25/2013	PRINCIPAL RECEIPT		539	539	568	566	.0	(27)	.0	(27)	.0	539	.0	.0	.0	6	10/01/2032	1
31384V-ML-3	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		9,143	9,143	9,431	9,172	.0	(29)	.0	(29)	.0	9,143	.0	.0	.0	93	12/01/2014	1
313847-G6-9	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		26,175	26,175	27,418	27,365	.0	(1,190)	.0	(1,190)	.0	26,175	.0	.0	.0	165	02/01/2026	1
31384F-KH-2	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		52,684	52,684	56,297	56,306	.0	(3,622)	.0	(3,622)	.0	52,684	.0	.0	.0	351	05/01/2026	1
3138EG-M6-8	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		359,958	359,958	382,793	381,992	.0	(22,034)	.0	(22,034)	.0	359,958	.0	.0	.0	2,534	03/01/2026	1
3138EH-U8-3	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		29,775	29,775	31,446	31,442	.0	(1,666)	.0	(1,666)	.0	29,775	.0	.0	.0	161	12/01/2026	1
31402D-FV-7	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		37,173	37,173	39,075	37,979	.0	(807)	.0	(807)	.0	37,173	.0	.0	.0	389	07/01/2017	1
31403D-DK-2	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		90,472	90,472	92,111	91,594	.0	(1,122)	.0	(1,122)	.0	90,472	.0	.0	.0	897	03/01/2021	1
31410L-EC-2	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		63,172	63,172	68,522	68,394	.0	(5,222)	.0	(5,222)	.0	63,172	.0	.0	.0	510	07/01/2024	1
31411A-JN-6	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		38,486	38,486	39,099	38,974	.0	(488)	.0	(488)	.0	38,486	.0	.0	.0	384	11/01/2021	1
31416B-QD-3	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		90,096	90,096	97,881	97,710	.0	(7,614)	.0	(7,614)	.0	90,096	.0	.0	.0	800	01/01/2021	1
31416Y-U3-0	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		76,322	76,322	81,856	81,899	.0	(5,577)	.0	(5,577)	.0	76,322	.0	.0	.0	457	07/01/2026	1
31417C-7C-3	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		44,333	44,333	46,889	46,908	.0	(2,575)	.0	(2,575)	.0	44,333	.0	.0	.0	266	09/01/2027	1
31417D-CC-5	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		11,112	11,112	11,634	11,648	.0	(536)	.0	(536)	.0	11,112	.0	.0	.0	53	10/01/2027	1
31418A-EG-9	FNMA PASS-THRU INT 15 YEAR		03/25/2013	PRINCIPAL RECEIPT		48,032	48,032	50,947	50,947	.0	(2,915)	.0	(2,915)	.0	48,032	.0	.0	.0	264	04/01/2027	1
31368H-LZ-4	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		179,824	179,824	189,940	189,892	.0	(10,067)	.0	(10,067)	.0	179,824	.0	.0	.0	1,784	12/01/2033	1
31371K-T9-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		11,768	11,768	11,805	11,797	.0	(29)	.0	(29)	.0	11,768	.0	.0	.0	94	09/01/2032	1
31371H-H4-0	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		51,029	51,029	53,473	53,422	.0	(2,393)	.0	(2,393)	.0	51,029	.0	.0	.0	585	08/01/2037	1
313842-BX-6	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		33,374	33,374	35,898	35,936	.0	(2,561)	.0	(2,561)	.0	33,374	.0	.0	.0	247	12/01/2040	1
31384T-EX-4	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		253,451	253,451	272,024	.0	.0	(18,573)	.0	(18,573)	.0	253,451	.0	.0	.0	1,262	10/01/2041	1
31384V-GD-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		872,364	872,364	936,701	937,925	.0	(65,561)	.0	(65,561)	.0	872,364	.0	.0	.0	5,051	11/01/2041	1
3138EH-JH-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		81,480	81,480	91,971	92,153	.0	(10,673)	.0	(10,673)	.0	81,480	.0	.0	.0	890	10/01/2039	1
3138EJ-XM-5	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		11,599	11,599	12,373	12,375	.0	(776)	.0	(776)	.0	11,599	.0	.0	.0	70	10/01/2042	1
3138EK-F5-9	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		11,072	11,072	11,947	.0	.0	(875)	.0	(875)	.0	11,072	.0	.0	.0	59	12/01/2041	1
3138NX-KF-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		49,708	49,708	52,116	.0	.0	(2,408)	.0	(2,408)	.0	49,708	.0	.0	.0	144	01/01/2043	1
3138NY-EY-7	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		23,023	23,023	24,138	.0	.0	(1,115)	.0	(1,115)	.0	23,023	.0	.0	.0	81	01/01/2043	1
3138W6-BV-7	FNMA PASS-THRU LNG 30 YEAR		03/05/2013	BNP PARIBAS SECURITIES		266,513	266,513	266,910	.0	.0	(6)	.0	(6)	.0	266,904	.0	(391)	(391)	236	03/01/2043	1
31402C-Y3-0	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		135,669	135,669	145,187	145,110	.0	(9,441)	.0	(9,441)	.0	136,000	.0	.0	.0	1,360	03/01/2034	1
31402R-AQ-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		39,088	39,088	40,142	40,083	.0	(995)	.0	(995)	.0	39,088	.0	.0	.0	426	12/01/2032	1
31402R-AS-8	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		53,116	53,116	54,631	54,586	.0	(1,470)	.0	(1,470)	.0	53,116	.0	.0	.0	550	03/01/2035	1
31402R-H2-8	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		20,201	20,201	20,389	20,375	.0	(174)	.0	(174)	.0	20,201	.0	.0	.0	200	12/01/2032	1
31402R-JV-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		286,602	286,602	312,530	312,893	.0	(26,291)	.0	(26,291)	.0	286,602	.0	.0	.0	2,332	07/01/2035	1
31402R-LZ-0	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		12,202	12,202	13,592	13,606	.0	(1,404)	.0	(1,404)	.0	12,202	.0	.0	.0	97	08/01/2035	1
31406L-KG-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		158,072	158,072	173,830	174,124	.0	(16,051)	.0	(16,051)	.0	158,072	.0	.0	.0	1,450	04/01/2035	1
31410K-DN-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		412,511	412,511	452,537	453,331	.0	(40,821)	.0	(40,821)	.0	412,511	.0	.0	.0	4,073	05/01/2038	1
31410K-T8-7	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		176,101	176,101	194,262	195,067	.0	(18,966)	.0	(18,966)	.0	176,101	.0	.0	.0	1,653	05/01/2037	1
31410K-US-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		166,977	166,977	184,105	184,297	.0	(17,319)	.0	(17,319)	.0	166,977	.0	.0	.0	1,562	08/01/2037	1
31410K-XM-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		238,411	238,411	265,170	265,230	.0	(26,819)	.0	(26,819)	.0	238,411	.0	.0	.0	2,608	10/01/2038	1
31410L-DU-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		7,797	7,797	8,369	8,378	.0	(581)	.0	(581)	.0	7,797	.0	.0	.0	55	02/01/2041	1
31412R-NJ-2	FNMA PASS-THRU LNG 30 YEAR		01/25/2013	VARIOUS		2,751,999	2,582,142	2,643,468	2,643,113	.0	(434)	.0	(434)	.0	2,642,679	.0	109,320	109,320	10,787	01/01/2041	1
31416C-JV-9	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		192,783	192,783	214,230	214,449	.0	(21,666)	.0	(21,666)	.0	192,783	.0	.0	.0	2,033	11/01/2038	1
31416H-H3-9	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		79,898	79,898	87,401	87,528	.0	(7,630)	.0	(7,630)	.0	79,898	.0	.0	.0	641	06/01/2040	1
31416X-J7-6	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	VARIOUS		565,525	547,722	580,200	580,529	.0	(16,706)	.0	(16,706)	.0	563,824	.0	1,702	1,702	3,977	01/01/2041	1
31417D-26-7	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		958	958	1,005	1,005	.0	(48)	.0	(48)	.0	958	.0	.0	.0	5	11/01/2042	1
31417D-3H-4	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	VARIOUS		1,033,505	1,004,394	1,057,312	1,059,706	.0	(1,490)	.0	(1,490)	.0	1,058,216	.0	(24,711)	(24,711)	7,273	11/01/2042	1
31417D-F9-9	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		760	760	804	804	.0	(44)	.0	(44)	.0	760	.0	.0	.0	4	10/01/2042	1
31417D-HU-4	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		510	510	537	537	.0	(27)	.0	(27)	.0	510	.0	.0	.0	3	10/01/2042	1
31417D-MV-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		2,005	2,005	2,112	2,112	.0	(108)	.0	(108)	.0	2,005	.0	.0	.0	9		

STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	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 (a)
31418W-PW-4	FNMA PASS-THRU LNG 30 YEAR		01/25/2013	VARIOUS		1,243,858	1,147,024	1,232,334	1,233,510	0	(3,313)	0	(3,313)	0	1,230,197	0	13,661	13,661	6,785	08/01/2040	1
31418X-KY-3	FNMA PASS-THRU LNG 30 YEAR		01/25/2013	VARIOUS		5,817,136	5,387,847	5,649,663	5,650,259	0	(3,830)	0	(3,830)	0	5,646,429	0	170,707	170,707	28,890	08/01/2040	1
31419A-G4-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	VARIOUS		215,262	201,840	218,240	218,365	0	(2,676)	0	(2,676)	0	215,689	0	(427)	(427)	576	08/01/2040	1
31419A-NJ-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		217,783	217,783	238,949	239,210	0	(21,426)	0	(21,426)	0	217,783	0	0	0	1,883	12/01/2039	1
31419A-P5-0	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		42,111	42,111	47,599	47,660	0	(5,549)	0	(5,549)	0	42,111	0	0	0	474	10/01/2039	1
31419B-BT-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		23,490	23,490	25,057	25,069	0	(1,580)	0	(1,580)	0	23,490	0	0	0	153	02/01/2041	1
31419F-FV-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		22,332	22,332	23,944	23,944	0	(1,636)	0	(1,636)	0	22,332	0	0	0	186	11/01/2040	1
31419G-PL-2	FNMA PASS-THRU LNG 30 YEAR		01/25/2013	VARIOUS		2,799,406	2,599,883	2,703,066	2,702,862	0	(841)	0	(841)	0	2,702,021	0	97,386	97,386	12,415	10/01/2040	1
31371N-LS-2	FNMA PASS-THRU LNG 10 7-10YR		03/25/2013	PRINCIPAL RECEIPT		79,300	79,300	80,750	80,764	0	(1,464)	0	(1,464)	0	79,300	0	0	0	731	10/01/2037	1
31410G-LR-2	FNMA PASS-THRU LNG 10 7-10YR		03/25/2013	PRINCIPAL RECEIPT		94,495	94,495	101,695	101,695	0	(7,200)	0	(7,200)	0	94,495	0	0	0	931	10/01/2037	1
31413Q-PD-4	FNMA PASS-THRU LNG 10 7-10YR		03/25/2013	PRINCIPAL RECEIPT		223,834	223,834	230,339	230,378	0	(6,544)	0	(6,544)	0	223,834	0	0	0	1,844	10/01/2037	1
31418M-CG-5	FNMA PASS-THRU LNG 10 7-10YR		03/25/2013	PRINCIPAL RECEIPT		224,160	224,160	239,151	239,440	0	(15,280)	0	(15,280)	0	224,160	0	0	0	2,399	12/01/2041	1
31418M-YZ-0	FNMA PASS-THRU LNG 10 7-10YR		03/25/2013	PRINCIPAL RECEIPT		45,394	45,394	48,363	48,330	0	(2,935)	0	(2,935)	0	45,394	0	0	0	449	05/01/2038	1
31385X-HZ-3	FNMA PASS-THRU MEGA MULTI 7		03/25/2013	PRINCIPAL RECEIPT		194,096	194,096	188,519	192,882	0	1,414	0	1,414	0	194,096	0	0	0	1,065	06/01/2031	1
31402C-SS-7	FNMA PASS-THRU MEGA MULTI 7		03/25/2013	PRINCIPAL RECEIPT		1,904	1,904	1,838	1,880	0	24	0	24	0	1,904	0	0	0	15	04/01/2014	1
31403Q-GP-8	FNMA PASS-THRU MEGA MULTI 7		03/25/2013	PRINCIPAL RECEIPT		9,520	9,520	9,909	9,762	0	(241)	0	(241)	0	9,520	0	0	0	94	02/01/2016	1
31416X-ZJ-8	FNMA PASS-THRU SHRT 10 YEAR		03/25/2013	PRINCIPAL RECEIPT		111,757	111,757	118,463	118,046	0	(6,289)	0	(6,289)	0	111,757	0	0	0	729	05/01/2021	1
31416Y-UL-0	FNMA PASS-THRU SHRT 10 YEAR		03/25/2013	PRINCIPAL RECEIPT		101,094	101,094	106,149	105,847	0	(4,753)	0	(4,753)	0	101,094	0	0	0	472	07/01/2021	1
3138MR-LL-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2013	PRINCIPAL RECEIPT		8,254	8,254	8,717	8,254	0	(463)	0	(463)	0	8,254	0	0	0	24	01/01/2043	1
31387D-30-0	FNMA POOL #581407		03/25/2013	PRINCIPAL RECEIPT		953	953	969	968	0	(15)	0	(15)	0	953	0	0	0	6	06/01/2031	1
31387H-3W-8	FNMA POOL #585013		03/25/2013	PRINCIPAL RECEIPT		2,048	2,048	2,132	2,050	0	(2)	0	(2)	0	2,048	0	0	0	22	06/01/2014	1
31410F-UC-7	FNMA POOL #888079 6.500%		03/25/2013	PRINCIPAL RECEIPT		61,938	61,938	63,344	63,172	0	(1,233)	0	(1,233)	0	61,938	0	0	0	686	10/01/2026	1
31410K-UK-8	FNMA POOL #889886 7.000%		03/25/2013	PRINCIPAL RECEIPT		44,316	44,316	46,393	46,353	0	(2,037)	0	(2,037)	0	44,316	0	0	0	554	12/01/2037	1
31418M-G3-0	FNMA POOL #A00217		03/25/2013	PRINCIPAL RECEIPT		176,386	176,386	186,418	186,213	0	(9,827)	0	(9,827)	0	176,386	0	0	0	1,727	09/01/2039	1
31392E-S8-4	FNMA REMIC TRUST 2002-W10		03/25/2013	PRINCIPAL RECEIPT		218,796	218,796	218,522	218,507	0	289	0	289	0	218,796	0	0	0	2,993	08/25/2042	1
31392D-H7-0	FNMA REMIC TRUST 2002-W6		03/25/2013	PRINCIPAL RECEIPT		14,405	14,405	15,800	14,654	0	(249)	0	(249)	0	14,405	0	0	0	175	06/25/2042	1
31392D-P9-7	FNMA REMIC TRUST 2002-W8		03/25/2013	PRINCIPAL RECEIPT		7,871	7,871	8,257	7,887	0	(16)	0	(16)	0	7,871	0	0	0	88	06/25/2042	1
31397L-NJ-4	FNMA REMIC TRUST 2008-40		03/25/2013	PRINCIPAL RECEIPT		309,469	309,469	315,416	310,467	0	(999)	0	(999)	0	309,469	0	0	0	2,819	03/25/2031	1
3136A3-7D-7	FNMA REMIC TRUST 2012-39		03/25/2013	PRINCIPAL RECEIPT		219,758	219,758	232,943	231,650	0	(11,892)	0	(11,892)	0	219,758	0	0	0	1,559	03/25/2042	1
88276P-CH-7	TEXAS ST PUB FIN AUTH CHARTER REV		01/02/2013	RAYMOND JAMES & ASSOCIATE		1,691,250	1,500,000	1,500,000	1,500,000	0	0	0	0	0	1,500,000	0	191,250	191,250	48,073	02/15/2027	2FE
3199999	Subtotal - Bonds - U.S. Special Revenues					42,321,668	40,522,122	42,662,124	41,177,697	0	(1,099,593)	0	(1,099,593)	0	41,561,077	0	760,593	760,593	287,155	XXX	XXX
00287Y-AC-3	ABBVIE INC 144A		01/29/2013	GREENWICH CAPITAL MKTS, JEFFERIES & CO BONDS DIR		74,142	75,000	74,517	74,523	0	3	0	3	0	74,527	0	(385)	(385)	501	11/06/2022	2FE
026874-BW-6	AMERICAN INTL GROUP INC		03/11/2013	MORGAN STANLEY & CO. INC		524,335	425,000	499,507	496,599	0	(1,493)	0	(1,493)	0	495,106	0	29,229	29,229	6,724	12/15/2020	2FE
00184A-AG-0	AOL TIME WARNER 7.70%		01/25/2013			207,789	150,000	169,941	168,571	0	(32)	0	(32)	0	168,539	0	39,250	39,250	2,855	05/01/2032	2FE
037411-AZ-8	APACHE CORP		02/15/2013	BARCLAYS CAPITAL INC		128,866	125,000	128,255	128,049	0	(36)	0	(36)	0	128,013	0	854	854	1,422	04/15/2022	1FE
04044T-AJ-5	ARISTOTLE HLDG INC		01/14/2013	EXCHANGE		324,517	315,000	325,171	324,549	0	(32)	0	(32)	0	324,517	0	0	0	0	02/15/2022	2FE
06051G-EK-1	BANK AMER CORP		03/20/2013	VARIOUS		1,045,435	980,000	973,408	974,431	0	323	0	323	0	974,754	0	70,681	70,681	25,827	07/12/2016	1FE
06051G-DX-4	BANK AMER FDG CORP		01/25/2013	JEFFERIES & CO BONDS DIR		347,370	300,000	304,011	302,735	0	(29)	0	(29)	0	302,706	0	44,664	44,664	4,190	05/01/2018	1FE
06406H-BY-4	BANK NEW YORK MTN BK ENT		01/22/2013	MERRILL LYNCH PROFESSIONL C		1,306,104	1,200,000	1,287,288	1,282,465	0	(496)	0	(496)	0	1,281,969	0	24,135	24,135	14,437	09/23/2021	1FE
12189P-AJ-1	BURLINGTON NORTH SF 2001-1		01/15/2013	PRINCIPAL RECEIPT		72,145	72,145	73,659	72,674	0	(529)	0	(529)	0	72,145	0	0	0	2,427	07/15/2022	1FE
12189P-AG-7	BURLINGTON NORTHERN SANTA FE 8.25%		01/15/2013	Sink PMT @ 100.0000000 US BANCORP INVESTMENTS		82,920	82,920	87,566	85,876	0	(2,956)	0	(2,956)	0	82,920	0	0	0	3,421	01/15/2021	1FE
14912L-4F-5	CATERPILLAR FIN SVC 6.125%		01/10/2013	IN DEUTSCHE BANK SECURITIES		2,118,380	2,000,000	2,230,180	2,115,854	0	(2,558)	0	(2,558)	0	2,113,297	0	5,083	5,083	50,361	02/17/2014	1FE
12558B-AC-0	CIT EQUIP COLL TR 2012-VT1		03/13/2013			326,447	325,000	324,972	325,019	0	(3)	0	(3)	0	325,016	0	1,431	1,431	874	08/22/2016	1FE
17296P-EM-9	CITIGROUP INC SR NT 6.125%		02/07/2013	VARIOUS		1,535,290	1,300,000	1,356,219	1,349,038	0	(969)	0	(969)	0	1,348,069	0	187,221	187,221	17,252	11/21/2017	1FE
20030N-AM-3	COMCAST CORP NEW		01/08/2013	GOLDMAN, SACHS & CO.		478,211	375,000	380,410	381,063	0	(8)	0	(8)	0	381,055	0	97,156	97,156	7,794	03/15/2037	2FE
12624N-AA-8	COMM MTG TR 2012-LTRT 144A		03/05/2013	PRINCIPAL RECEIPT		21,883	21,883	22,605	22,605	0	(722)	0	(722)	0	21,883	0	0	0	22	10/07/2030	1FE
208251-AE-8	CONOCO INC		02/06/2013	MERRILL LYNCH PROFESSIONL C		1,363,500	1,000,000	1,436,600	1,432,934	0	(1,934)	0	(1,934)	0	1,431,000	0	(67,500)	(67,500)	22,394	04/15/2029	1FE

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STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn- ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	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 Con- tractual Maturity Date	NAIC Design- ation or Market In- dicator (a)
20826F-AA-4	CONOCOPHILLIPS CO		01/29/2013	BOENNING & SCATTERGOOD		1,922,820	2,000,000	1,992,420	.0	.0	.50	.0	.50	.0	1,992,470	.0	(69,650)	(69,650)	7,200	12/15/2022	1FE
20826F-AB-2	CONOCOPHILLIPS CO		02/15/2013	HSBC SECURITIES, INC.		198,228	200,000	199,542	199,549	.0	.11	.0	.11	.0	199,559	.0	(1,331)	(1,331)	432	12/15/2017	1FE
24702R-AK-7	DELL INC		01/16/2013	C		2,002,960	2,000,000	2,014,420	2,003,501	.0	(210)	.0	(210)	.0	2,003,290	.0	(330)	(330)	10,267	09/10/2013	1FE
25271C-AK-8	DIAMOND OFFSHORE DRILLING INC		01/24/2013	HSBC SECURITIES, INC.		86,304	70,000	84,923	83,966	.0	(124)	.0	(124)	.0	83,842	.0	2,462	2,462	979	05/01/2019	1FE
25459H-AQ-8	DIRECTV HLDGS LLC / DIRECTV		03/11/2013	COR		1,081,620	1,000,000	1,088,340	1,085,583	.0	(261)	.0	(261)	.0	1,085,322	.0	(3,702)	(3,702)	31,574	03/15/2040	2FE
25755T-AC-4	DOMINOS PIZZA MSTR 2012-1 144A		01/25/2013	PRINCIPAL RECEIPT		1,406	1,406	1,465	1,462	.0	(55)	.0	(55)	.0	1,406	.0	.0	.0	18	01/25/2042	4AM
26138E-AP-4	DR PEPPER SNAPPLE GROUP INC		01/29/2013	JAFFRA		1,027,730	1,000,000	989,320	990,305	.0	.73	.0	.73	.0	990,378	.0	37,352	37,352	6,756	11/15/2021	2FE
26138E-AQ-2	DR PEPPER SNAPPLE GROUP INC		01/02/2013	RBC CAPITAL MARKETS CORP		29,684	30,000	29,768	29,771	.0	.0	.0	.0	.0	29,772	.0	(87)	(87)	78	01/15/2020	2FE
29250R-AT-3	ENBRIDGE ENERGY PARTNERS L P		01/02/2013	CHASE SECURITIES, INC.		109,336	100,000	109,814	109,698	.0	.0	.0	.0	.0	109,697	.0	(361)	(361)	1,711	09/15/2040	2FE
29266R-AC-2	ENERGIZER HLDGS INC		03/06/2013	VARIOUS		268,074	255,000	259,644	259,429	.0	(70)	.0	(70)	.0	259,359	.0	8,715	8,715	3,562	05/24/2022	2FE
30161M-AG-8	EXELON GENERATION CO LLC		02/06/2013	MERRILL LYNCH PROFESSIONL		1,379,725	1,205,000	1,422,888	.0	.0	(360)	.0	(360)	.0	1,422,528	.0	(42,803)	(42,803)	27,196	10/01/2039	2FE
31331F-AX-9	FEDERAL EXPRESS 6.72%		01/15/2013	Sink PMT @ 100.0000000		57,528	57,528	64,640	61,791	.0	(4,263)	.0	(4,263)	.0	57,528	.0	.0	.0	1,933	01/15/2022	5AM
33735B-BH-7	FIRST UN CORP		01/02/2013	BOENNING & SCATTERGOOD		1,360,600	1,000,000	1,259,200	1,251,376	.0	(36)	.0	(36)	.0	1,251,339	.0	109,261	109,261	32,821	08/01/2026	1FE
33766J-AB-9	FIRSTENERGY SOLUTIONS CORP		02/19/2013	CHASE SECURITIES, INC.		385,510	360,000	389,995	382,629	.0	(1,400)	.0	(1,400)	.0	381,229	.0	4,281	4,281	8,976	02/15/2015	2FE
36962G-3P-7	GENERAL ELEC CAP CORP MTN BE		01/25/2013	CORTVIEW CAPITAL LLC		278,254	235,000	261,280	260,920	.0	(35)	.0	(35)	.0	260,885	.0	17,369	17,369	7,517	01/14/2038	1FE
370334-BM-5	GENERAL MILS INC		01/29/2013	MERRILL LYNCH PROFESSIONL		2,077,260	2,000,000	2,019,800	2,018,057	.0	(141)	.0	(141)	.0	2,017,916	.0	59,344	59,344	8,050	12/15/2021	2FE
402524-AD-4	GULF SOUTH PIPELINE CO LP 144A		01/30/2013	EXCHANGE		186,706	185,000	186,785	186,719	.0	(13)	.0	(13)	.0	186,706	.0	.0	.0	.0	06/15/2022	2FE
40428H-PH-9	HSBC USA INC NEW		01/29/2013	RAYMOND JAMES & ASSOCIATE		1,996,000	2,000,000	2,009,714	.0	.0	(134)	.0	(134)	.0	2,009,580	.0	(13,580)	(13,580)	3,701	01/16/2018	1FE
458140-AH-3	INTEL CORP		02/25/2013	MERRILL LYNCH PROFESSIONL		2,073,320	2,000,000	2,042,500	2,032,966	.0	(1,285)	.0	(1,285)	.0	2,031,682	.0	41,638	41,638	15,925	10/01/2016	1FE
48121C-JN-7	JP MORGAN CHASE 5.875% 6/13/2016		01/02/2013	BOENNING & SCATTERGOOD		3,417,000	3,000,000	3,213,150	3,122,004	.0	(90)	.0	(90)	.0	3,121,914	.0	295,086	295,086	11,750	06/13/2016	1FE
49326E-ED-1	KEYCORP MEDIUM TERM NTS BE		01/14/2013	DEUTSCHE BANK SECURITIES		407,390	350,000	391,342	388,521	.0	(146)	.0	(146)	.0	388,375	.0	19,014	19,014	5,553	03/24/2021	2FE
500255-AS-3	KOHL'S CORP		02/20/2013	MORGAN STANLEY & CO. INC		132,430	140,000	141,361	141,332	.0	(16)	.0	(16)	.0	141,316	.0	(8,886)	(8,886)	1,896	02/01/2023	2FE
524901-AQ-8	LEGG MASON INC 144A		02/25/2013	EXCHANGE		990,565	1,000,000	989,610	990,377	.0	188	.0	188	.0	990,565	.0	.0	.0	.0	05/21/2019	2FE
577081-AS-1	MATTEL INC		02/25/2013	MERRILL LYNCH PROFESSIONL		1,002,500	1,000,000	1,087,710	1,006,078	.0	(4,429)	.0	(4,429)	.0	1,001,649	.0	851	851	25,469	03/15/2013	2FE
58013M-DU-5	MCDONALDS CORP		01/11/2013	MIZUHO SECURITIES USA INC		1,582,433	1,560,000	1,668,170	1,574,040	.0	(929)	.0	(929)	.0	1,573,111	.0	9,322	9,322	8,044	06/01/2013	1FE
58013M-EQ-3	MCDONALDS CORP MED TERM NT BE		01/29/2013	BOENNING & SCATTERGOOD		2,014,000	2,000,000	2,037,320	.0	.0	(278)	.0	(278)	.0	2,037,042	.0	(23,042)	(23,042)	6,458	05/29/2019	1FE
59217G-AD-1	METROPOLITAN LIFE GLOBAL FDG I		01/10/2013	LINSCO/Private Ledger		1,163,800	1,100,000	1,135,970	1,126,557	.0	(213)	.0	(213)	.0	1,126,344	.0	37,456	37,456	17,569	01/11/2016	1FE
61746S-BR-9	MORGAN STANLEY		01/10/2013	RBC CAPITAL MARKETS CORP		3,270,090	3,000,000	3,277,500	3,161,953	.0	(1,385)	.0	(1,385)	.0	3,160,568	.0	109,522	109,522	40,313	10/15/2015	1FE
61915R-AA-4	MORTGAGE IT TR 2005-2		03/25/2013	PRINCIPAL RECEIPT		7,323	7,323	6,156	6,272	.0	1,051	.0	1,051	.0	6,272	.0	.0	.0	.0	05/25/2035	1FM
649081-AA-4	NEW VALLEY GEN IV 2003-1		01/15/2013	Sink PMT @ 100.0000000		109,135	109,135	125,126	123,039	.0	(13,904)	.0	(13,904)	.0	109,135	.0	.0	.0	2,558	01/15/2022	1FE
64908Q-AA-9	NEW VALLEY GEN V 4.929%		01/15/2013	PRINCIPAL RECEIPT		57,117	57,117	57,117	57,117	.0	.0	.0	.0	.0	57,117	.0	.0	.0	1,408	01/15/2021	1FE
674599-CC-7	OCCIDENTAL PETE CORP DEL		01/02/2013	BOENNING & SCATTERGOOD		3,181,710	3,000,000	3,110,070	3,101,327	.0	(28)	.0	(28)	.0	3,101,299	.0	80,411	80,411	36,979	02/15/2022	1FE
708696-BU-2	PENNSYLVANIA ELEC CO		01/03/2013	BOENNING & SCATTERGOOD		1,783,899	1,525,000	1,730,585	1,670,171	.0	(159)	.0	(159)	.0	1,670,013	.0	113,887	113,887	32,548	09/01/2017	2FE
709599-AL-8	PENSKO TRUCK LEASING CO L P 144A		03/01/2013	RBC CAPITAL MARKETS CORP		45,724	45,000	44,902	.0	.0	.2	.0	.2	.0	44,904	.0	819	819	176	07/17/2018	1FE
718546-AA-2	PHILLIPS 66		01/29/2013	EXCHANGE		93,316	90,000	93,551	93,340	.0	(24)	.0	(24)	.0	93,316	.0	.0	.0	.0	04/01/2022	2FE
742651-DJ-8	PRIVATE EXPT FDG CORP		01/02/2013	US BANCORP INVESTMENTS		5,917,900	5,000,000	5,950,500	5,916,889	.0	(258)	.0	(258)	.0	5,916,631	.0	1,269	1,269	10,750	12/15/2021	1FE

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STATEMENT AS OF MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	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 (a)	
758202-AG-0	REED ELSEVIER CAP INC		03/28/2013	EXCHANGE		1,219,936	938,000	1,064,071	1,027,445	0	(2,938)	0	(2,938)	0	1,024,508	0	195,428	195,428	40,451	01/15/2019	2FE	
881561-XJ-8	TERWIN MTG TR 2005-14HE		03/25/2013	PRINCIPAL RECEIPT		1,340	1,340	1,326	1,328	0	.12	0	.12	0	1,340	0	0	0	.11	08/25/2036	1FM	
883556-AP-7	THERMO FISHER SCIENTIFIC INC		01/10/2013	MCDONALD & COMPANY SECURI		1,095,530	1,000,000	1,099,320	1,058,123	0	(581)	0	(581)	0	1,057,541	0	37,989	37,989	6,111	06/01/2015	2FE	
88732J-BB-3	TIME WARNER CABLE INC		03/26/2013	MORGAN STANLEY & CO. INC		25,583	25,000	26,607	26,589	0	(6)	0	(6)	0	26,583	0	(1,000)	(1,000)	.791	09/01/2041	2FE	
907833-AF-4	UNION PACIFIC RR		01/02/2013	Sink PMT @ 100.0000000		64,097	64,097	64,097	64,097	0	0	0	0	0	64,097	0	0	0	0	01/02/2019	1FE	
907833-AH-0	UNION PACIFIC RR		01/02/2013	Sink PMT @ 100.0000000		22,066	22,066	22,192	22,151	0	(84)	0	(84)	0	22,066	0	0	0	0	01/02/2020	1FE	
907833-AJ-6	UNION PACIFIC RR CO 2000-1		01/10/2013	PRINCIPAL RECEIPT		25,618	25,618	31,284	28,366	0	(2,748)	0	(2,748)	0	25,618	0	0	0	1,025	01/10/2021	1FE	
90783X-AA-9	UNION PACIFIC RR CO 2007-3		01/19/2013	PRINCIPAL RECEIPT		19,507	19,507	19,507	19,507	0	0	0	0	0	19,507	0	0	0	602	01/02/2031	1FE	
908906-AC-4	UNIONBANCAL CORP		02/05/2013	NOMURA SECURITIES INTL LINS		20,724	20,000	19,840	19,847	0	1	0	1	0	19,849	0	875	875	.97	06/18/2022	1FE	
913017-BM-0	UNITED TECHNOLOGIES CORP		01/04/2013	COR LINS		2,361,244	2,000,000	2,377,760	2,318,650	0	(508)	0	(508)	0	2,318,141	0	43,103	43,103	7,167	12/15/2017	1FE	
90333W-AB-4	US BANK NATL ASSN		01/03/2013	COR		2,118,000	2,000,000	2,295,640	2,099,545	0	(503)	0	(503)	0	2,099,042	0	18,958	18,958	53,900	02/04/2014	1FE	
98978V-AD-5	ZOETIS INC 144A		01/17/2013	BARCLAYS CAPITAL INC		5,017	5,000	4,999	0	0	0	0	0	4,999	0	18	18	0	02/01/2016	1FE		
98978V-AF-0	ZOETIS INC 144A		01/17/2013	DEUTSCHE BANK SECURITIES		10,047	10,000	9,994	0	0	0	0	0	9,994	0	53	53	0	02/01/2018	1FE		
87425E-AM-5	TALISMAN ENERGY INC		03/05/2013	VARIOUS		93,570	90,000	90,078	90,070	0	1	0	1	0	90,071	0	3,499	3,499	1,884	02/01/2021	2FE	
878742-AX-3	TECK RESOURCES LTD		02/05/2013	BANC AMERICA SECURITIES		40,614	40,000	39,876	39,885	0	2	0	2	0	39,887	0	.727	.727	500	02/01/2018	2FE	
02364W-AN-5	AMERICA MOVIL SAB DE CV	R	01/16/2013	CREDIT SUISSE FIRST BOSTO		327,220	275,000	323,565	318,012	0	(348)	0	(348)	0	317,664	0	9,556	9,556	2,879	11/15/2017	1FE	
055650-BF-4	BP CAP MKTS P L C	R	01/11/2013	BOENNING & SCATTERGOOD		2,335,500	2,250,000	2,432,948	2,329,237	0	(2,575)	0	(2,575)	0	2,326,662	0	8,838	8,838	22,641	11/07/2013	1FE	
404280-AG-4	HSBC HLDGS PLC	R	01/28/2013	GOLDMAN, SACHS & CO. BOENNING & SCATTERGOOD		2,218,857	1,775,000	1,877,688	1,871,429	0	(144)	0	(144)	0	1,871,285	0	347,572	347,572	28,523	05/02/2036	1FE	
822582-AJ-1	SHELL INTERNATIONAL FIN BV	R	01/03/2013	IN		1,154,480	1,000,000	1,009,620	1,006,940	0	(5)	0	(5)	0	1,006,935	0	147,545	147,545	12,661	09/22/2019	1FE	
83238P-AD-6	SMITHS GROUP PLC SR 144A	R	01/29/2013	CHASE SECURITIES, INC.		14,819	15,000	14,968	14,968	0	0	0	0	0	14,968	0	(149)	(149)	.165	10/12/2022	2FE	
87938W-AP-8	TELEFONICA EMISIONES S A U	R	02/21/2013	VARIOUS		47,797	45,000	45,150	45,149	0	(4)	0	(4)	0	45,146	0	2,651	2,651	1,254	02/16/2021	2FE	
92852T-AB-8	VIVENDI SA	R	02/27/2013	BARCLAYS CAPITAL INC		202,646	195,000	192,015	192,341	0	75	0	75	0	192,415	0	10,231	10,231	4,336	01/12/2018	2FE	
94707V-AC-4	WEATHERFORD INTL LTD BERMUDA	R	01/04/2013	BARCLAYS CAPITAL INC		164,161	155,000	158,515	158,306	0	(2)	0	(2)	0	158,304	0	5,857	5,857	1,609	04/15/2022	2FE	
961214-BP-7	WESTPAC BKG CORP	R	01/03/2013	VARIOUS		2,115,000	2,000,000	2,031,660	2,022,854	0	(41)	0	(41)	0	2,022,813	0	92,187	92,187	4,833	12/09/2015	1FE	
8399999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					67,360,104	61,400,086	66,413,627	57,725,958	0	(50,738)	0	(50,738)	0	65,220,061	0	2,140,044	2,140,044	722,114	XXX	XXX	
8399997	Total - Bonds - Part 4					193,550,827	183,907,015	191,602,536	146,693,732	(17,327)	(1,415,181)	0	(1,432,508)	0	188,902,624	0	4,648,205	4,648,205	1,399,674	XXX	XXX	
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Total - Bonds					193,550,827	183,907,015	191,602,536	146,693,732	(17,327)	(1,415,181)	0	(1,432,508)	0	188,902,624	0	4,648,205	4,648,205	1,399,674	XXX	XXX	
8999997	Total - Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
922031-74-5	VANGUARD FIXED INCOME SECS FD		03/26/2013	CAPITAL GAIN		183,668	0,000	183,668	0	0	0	0	0	0	183,668	0	183,668	183,668	0			
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		01/02/2013	VANGUARD GROUP		20,000,000	149,409,831	15,022,102	19,500,971	(4,478,870)	0	0	(4,478,870)	0	15,022,102	0	4,977,898	4,977,898	0			
9299999	Subtotal - Common Stocks - Mutual Funds					20,183,668	XXX	15,022,102	19,500,971	(4,478,870)	0	0	(4,478,870)	0	15,022,102	0	5,161,566	5,161,566	0	XXX	XXX	
9799997	Total - Common Stocks - Part 4					20,183,668	XXX	15,022,102	19,500,971	(4,478,870)	0	0	(4,478,870)	0	15,022,102	0	5,161,566	5,161,566	0	XXX	XXX	
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999	Total - Common Stocks					20,183,668	XXX	15,022,102	19,500,971	(4,478,870)	0	0	(4,478,870)	0	15,022,102	0	5,161,566	5,161,566	0	XXX	XXX	
9899999	Total - Preferred and Common Stocks					20,183,668	XXX	15,022,102	19,500,971	(4,478,870)	0	0	(4,478,870)	0	15,022,102	0	5,161,566	5,161,566	0	XXX	XXX	
9999999	Totals					213,734,495	XXX	206,624,638	166,194,703	(4,496,197)	(1,415,181)	0	(5,911,378)	0	203,924,726	0	9,809,771	9,809,771	1,399,674	XXX	XXX	

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

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open
N O N E

Schedule DB - Part B - Section 1 - Futures Contracts Open
N O N E

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made
N O N E

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open
N O N E

Schedule DB - Part D - Section 2 - Collateral for Derivative Instruments Open
N O N E

Schedule DB - Part D - Section 2 - Collateral for Derivative Instruments Open
N O N E

Schedule DL - Part 1 - Reinvested Collateral Assets Owned
N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned
N O N E

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 and Accrued	8 Amount Received During Year
NONE							
8699999 - Total Cash Equivalents							



SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2013 OF THE Group Hospitalization & Medical Services, Inc.

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 0380

NAIC Company Code 53007

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected	1,607,981	XXX	0	XXX	1,607,981
2. Earned Premiums	1,607,981	XXX	0	XXX	XXX
3. Claims Paid	1,447,545	XXX	0	XXX	1,447,545
4. Claims Incurred	1,496,821	XXX	0	XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX	0	XXX	0	0
6. Aggregate Policy Reserves - Change	0	XXX	0	XXX	XXX
7. Expenses Paid	353,336	XXX	0	XXX	353,336
8. Expenses Incurred	353,336	XXX	0	XXX	XXX
9. Underwriting Gain or Loss	(242,176)	XXX	0	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	(192,900)

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