Report of Examination of

Ohio Bankers Benefits Trust
Columbus, Ohio

As of December 31, 2009

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Columbus, Ohio
July 9, 2010

Honorable Mary Jo Hudson
Director
State of Ohio
Department of Insurance ("Department")
50 West Town Street
3rd Floor – Suite 300
Columbus, Ohio 43215

Dear Madam:

In accordance with Section 3901.07 of the Ohio Revised Code (ORC), an examination was made of

Ohio Bankers Benefits Trust

an Ohio domiciled, multiple employee welfare association, hereinafter referred to as the "Plan." The examination was conducted at the Plan's home office, located at 4249 Easton Way, Suite 150, Columbus, Ohio.

A report of this examination is hereby respectfully submitted.

The Plan was last examined as of December 31, 2004, by the Department. Representatives of the Department conducted the current examination covering the intervening period to and including December 31, 2009.

Management and Control

Board of Directors:

Members of the board of directors elected and serving on December 31, 2009, were as follows:

Name	Principal Occupation
G. Courtney Haning	Chairman, President and Chief Executive Officer The Peoples National Bank of New Lexington
Ronald Keaton	President Fairfield Federal Savings and Loan Association

John Malanowski	President and Chief Operating Officer First Federal Savings and Loan Association of Lorain
Thomas Moore	President and Chief Executive Officer First Federal Bank of Ohio
Paul Reed	President and Chief Executive Officer Farmers Bank and Savings Company
Thomas Will	Chairman The First Bremen Bank

Insurance Holding Company System

The Plan is not a member of a holding company system as defined in Section 3901.32 of the ORC.

Reinsurance

Ceded

The Plan has a stop-loss reinsurance agreement that provides per participant coverage of $4,775,000 above a retention of $225,000. An aggregate excess of loss provides coverage of $1,000,000 above a retention of $17,560,475.

The reinsurance agreement does not contain all the National Association of Insurance Commissioners ("NAIC") required clauses.

Assumed

The Plan does not assume any reinsurance.

Territory and Plan of Operations

The Plan is licensed to transact business in the State of Ohio.

Scope of Examination

One of the purposes of the examination was to make an assessment of the financial condition of the Plan as of December 31, 2009. To substantiate the various items, tests were made either by complete audits of accounts or by sampling methods prescribed by

the NAIC Examiner's Handbook. In selecting the examination procedures used, due consideration was given to the importance of each account to overall solvency. Transactions occurring subsequent to the date of the examination were reviewed to the extent deemed necessary.

For each year ending on December 31, 2009, the Certified Public Accounting ("CPA") firms of Hirth, Norris and Garrison, LLP have provided an unqualified opinion based on statutory accounting principles. Relevant work performed by the CPA firm, during its annual audit of the Plan, was reviewed during the examination and incorporated into the examination workpapers.

The Department's actuary reviewed the relevant work performed by the opining actuary, to report on the adequacy of the carried reserves, and to comment on any other statutory matters relating to reserves.

In addition, the following items were reviewed during the course of this examination:

1. Plan history;
2. fidelity bonds and other insurance;
3. officers', employees', and agents' welfare and pension plans;
4. growth of Plan;
5. loss experience;
6. pending litigation; and,
7. Articles of Incorporation/Bylaws.

Financial Statements

The financial condition and the results of its operations for the five-year period under examination as reported and filed by the Plan with the Department and audited by the Plan's external auditors, are reflected in the following:

Statement of Assets, Liabilities, Surplus and Other Funds
Statement of Revenue and Expenses
Statement of Changes in the Capital and Surplus Account

Statement of Assets, Liabilities, Surplus and Other Funds

	December 31, 2009
Admitted assets	
Cash and invested assets:	
Bonds	$4,168,169
Common stock	368,278
Cash and short-tem investments	(347,842)
Other invested assets	1,500,000
Total cash and invested assets	5,688,605
Investment income due and accrued	36,489
Uncollected premiums and agents' balances in the course of Collection	22,777
Amounts receivable from reinsurers	318,692
Total admitted assets	$6,066,563

Liabilities and capital and surplus	
Liabilities:	
Claims unpaid	$1,952,000
Unpaid claims adjustment expenses	372,000
Premiums received in advance	4,060
General expenses due and accrued	74,686
Total liabilities	2,402,746
Capital and surplus:	
Unassigned surplus	3,663,817
Total capital and surplus	3,663,817
Total liabilities and capital and surplus	$6,066,563

Statement of Revenue and Expenses

	For the Year Ended December 31, 2009
Net premium income	$15,529,238
Total revenues	15,529,238
Hospital and Medical:	
Hospital/medical benefits	12,148,719
Prescription drugs	2,474,109
Aggregate write-ins for other hospital and medical	518,000
Total hospital and medical	15,140,828
Less:	
Net reinsurance recoveries	318,692
Total hospital and medical	14,822,136
Claims adjustment expenses	2,067,041
General administrative expenses	74,626
Total underwriting deductions	16,963,803
Net underwriting loss	(1,434,565)
Net investment income earned	129,871
Net realized capital losses	(2,235)
Net investment gain	127,636
Net loss	(1,306,929)

Statement of Changes in the Capital and Surplus Account

(in thousands)

	2005	2006	2007	2008	2009
Capital and surplus December 31, previous year	$3,091	$2,241	$3,047	$4,449	$4,970
Net income	(849)	806	1,403	517	(1,307)
Net change unrealized capital gains	(1)	-	(1)	4	1
Net change in capital and surplus	(850)	806	1,402	521	(1,306)
Capital and surplus end of period	$2,241	$3,047	$4,449	$4,970	$3,664

Notes to Financial Statements

Investments

At December 31, 2009, the Plan's investments were primarily comprised of the following:

Invested Assets	Ratio to Total Investments	Ratio to Total Assets
Bonds	73.27%	68.71%
Commons stocks	6.47%	6.06%
Cash and short-term investments	(6.11)%	(5.73)%
Other invested assets	26.37%	24.73%
Totals	100.00%	93.77%

The Plan's investments were in compliance with Section 3925.08 of the ORC.

Claims and Claims Adjustment Expenses Unpaid

Harry A. Don, FSA, certified the total reserves for the years covered by the examination. The Department's actuary, Mary Miller, ASA, MAAA, reviewed the calculations for the reserves as of December 31, 2009.

On the basis of the above-mentioned analysis, it was determined that the loss and loss adjustment expense reserves were reasonable as of December 31, 2009.

Conclusion

The balance sheet contained in this Report of Examination reflects the financial condition of the Plan as of December 31, 2009, and is summarized as follows:

Total Admitted Assets	$6,066,563
Liabilities	$2,402,746
Unassigned funds	3,663,817
Total Liabilities and Surplus as Regards Policyholders	$6,066,563

Acknowledgement

Appreciation is expressed for the assistance extended by the officers and employees of the Plan during the course of this examination.

In addition to the aforementioned and the undersigned, the following representative of the Department participated in the examination: Methuselah E. Nyangoro, CPA.

Respectfully,

David A. Cook, CFE
Assistant Chief Examiner
Ohio Department of Insurance

Verification

As required by Section 3901.07 of the Ohio Revised Code, the undersigned hereby attest to the best of their knowledge and belief that the attached is a true Report of Examination as of December 31, 2009.

Assistant Chief Examiner — Date: 8/2/10

State of Ohio

County of Franklin

Personally appeared before me the above named, David A. Cook, personally known to me, who executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 2 day of August, 2010.

Elizabeth Chase
(Notary Public)

ELIZABETH CHASE
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES MAY 22, 2012

My Commission Expires