

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>VETERINARY PET INSURANCE 401(K) SAVINGS PLAN</u>	1b Three-digit plan number (PN) ► <u>002</u> 1c Effective date of plan <u>12/01/2003</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>VETERINARY PET INSURANCE COMPANY</u> <u>1800 E. IMPERIAL HIGHWAY, SUITE 145</u> <u>BREA, CA 92821</u>	2b Employer Identification Number (EIN) <u>95-3750113</u> 2c Sponsor's telephone number <u>714-989-0555</u> 2d Business code (see instructions) <u>524150</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>07/30/2012</u>	<u>MICHAEL FUNCK</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") VETERINARY PET INSURANCE COMPANY 1800 E. IMPERIAL HIGHWAY, SUITE 145 BREA, CA 92821	3b Administrator's EIN 95-3750113
	3c Administrator's telephone number 714-989-0555

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	495
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	465
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	51
d Subtotal. Add lines 6a , 6b , and 6c	6d	516
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	516
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	367
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	1

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☒ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☒ **1** **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2011 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan VETERINARY PET INSURANCE 401(K) SAVINGS PLAN	B Three-digit plan number (PN)	002
C Plan sponsor's name as shown on line 2a of Form 5500 VETERINARY PET INSURANCE COMPANY	D Employer Identification Number (EIN) 95-3750113	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	040579	516	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid 0	(b) Total amount of fees paid 0
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 3676939**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT**b** Balance at the end of the previous year **7b** 3225044**c** Additions: (1) Contributions deposited during the year **7c(1)** 660938(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 88992(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)** 274927

▶ LOAN REPAYMENTS TRANSFERS IN

(6) Total additions **7c(6)** 1024857**d** Total of balance and additions (add **b** and **c(6)**) **7d** 4249901**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 234426(2) Administration charge made by carrier **7e(2)** 1858(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)** 336678

▶ NEW LOANS TRANSFERS OUT, MISC. OUT FORFEITURE DEBITS

(5) Total deductions **7e(5)** 572962**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 3676939

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>VETERINARY PET INSURANCE 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>VETERINARY PET INSURANCE COMPANY</u>	D Employer Identification Number (EIN) <u>95-3750113</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 50 60 64	NONE	7640	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

THE PRUDENTIAL INSURANCE COMPANY OF

22-1211670

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
22	NONE	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE PRUDENTIAL INSURANCE COMPANY OF	61 72	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL INVESTMENTS, LLC 22-3468527	27.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2011 TO 12/31/2011 PRU JENN MD CP GRW A	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan VETERINARY PET INSURANCE 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 VETERINARY PET INSURANCE COMPANY	D Employer Identification Number (EIN) 95-3750113	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	16631	17941
(2) Participant contributions	1b(2)	46194	47356
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	294304	356036
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	5142526	6115361
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	3225044	3676939
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	8724699	10213633

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	8724699	10213633
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	519440	
(B) Participants	2a(1)(B)	1416585	
(C) Others (including rollovers)	2a(1)(C)	16813	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1952838

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	15281	
(F) Other	2b(1)(F)	88992	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		104273

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	69349	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		69349

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-158285
c Other income.....	2c		-2496
d Total income. Add all income amounts in column (b) and enter total.....	2d		1965679

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	467600	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		467600
f Corrective distributions (see instructions)	2f		1137
g Certain deemed distributions of participant loans (see instructions).....	2g		79
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	7929	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		7929
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		476745

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1488934
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: JLK PARTNERS, LLP

(2) EIN: 27-1532099

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		100000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>VETERINARY PET INSURANCE 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>VETERINARY PET INSURANCE COMPANY</u>	D Employer Identification Number (EIN) <u>95-3750113</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-1211670</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



Certified Public Accountants
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INDEPENDENT AUDITORS' REPORT

The Plan Administrator and Trustees
Veterinary Pet Insurance 401(k) Savings Plan
Brea, California

We were engaged to audit the accompanying statements of net assets available for benefits of the Veterinary Pet Insurance 401(k) Savings Plan (the Plan) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedule of assets (held at end of year) as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and schedule are the responsibility of the Plan's Administrator.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 5 and 6, which was certified by Prudential Bank and Trust, FSB, and Prudential Retirement Insurance and Annuity Company, the Trustee and the Record-keeper of the Plan, respectively, except for comparing the information with related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee and the Record-keeper as of December 31, 2011 and 2010 and for the year ended December 31, 2011 that the information provided to the Plan Administrator by the Trustee and the Record-keeper is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the Trustee and the Recorder-keeper, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

JLK Partners, LLP

Irvine, California
July 25, 2012

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2011

Employer identification number: 95-3750113

Plan number: 002

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)

<u>(a)</u>	<u>(b) IDENTITY OF ISSUES</u>	<u>(c) DESCRIPTION</u>	<u>(d) COST</u>	<u>(e) FAIR VALUE</u>
*	Prudential Mutual Funds	Frank Flex Cap Growth A	\$ 600,253	\$ 616,143
*	Prudential Mutual Funds	Highmark Small Cap Value	326,403	317,374
*	Prudential Mutual Funds	MFS Strategic Value A	383,320	411,584
*	Prudential Mutual Funds	Oakmark International II	470,371	478,181
*	Prudential Mutual Funds	Dreyfus S&P 500 Index	666,677	685,803
*	Prudential Mutual Funds	Pimco Real Return Bond FD A	501,767	530,461
*	Prudential Mutual Funds	Waddell & Reed Adv Vanguard A	122,024	133,709
*	Prudential Mutual Funds	Blackrock Lifepath Ret Inv A	168,012	172,653
*	Prudential Mutual Funds	Blackrock Lifepath 2020 R	363,290	361,531
*	Prudential Mutual Funds	Blackrock Lifepath 2030 R	165,658	169,046
*	Prudential Mutual Funds	Blackrock Lifepath 2040 R	191,232	188,899
*	Prudential Mutual Funds	Baron Growth Fund	515,920	578,687
*	Prudential Mutual Funds	Pru Jenn MD CP Grow A	66,393	71,758
*	Prudential Mutual Funds	Pimco Total Return A	440,339	433,237
*	Prudential Mutual Funds	Oppen International Grow A	425,578	421,928
*	Prudential Mutual Funds	Nuveen Real Est SEC A	65,224	72,800
*	Prudential Mutual Funds	Victory Established Value	376,065	370,430
*	Prudential Mutual Funds	Principal Midcap S&P 400	55,529	52,171
*	Prudential Mutual Funds	Principal Smcap S&P 600	44,235	48,966
*	Prudential Retirement Insurance and Annuity Company	Guaranteed Income Fund	3,676,939	3,676,939
		Subtotal	9,625,229	9,792,300
*	Participant Notes Receivable	Maturities to 2016, at interest rates ranging from 4.25 % to 9.25%	-	356,036
		TOTAL	\$ 9,625,229	\$ 10,148,336
*	Indicates party-in-interest to the Plan.			

**VETERINARY PET INSURANCE
401(k) SAVINGS PLAN**

**Financial Statements and
Independent Auditors' Report**

December 31, 2011 and 2010

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

The Plan Administrator and Trustees
Veterinary Pet Insurance 401(k) Savings Plan
Brea, California

We were engaged to audit the accompanying statements of net assets available for benefits of the Veterinary Pet Insurance 401(k) Savings Plan (the Plan) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedule of assets (held at end of year) as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and schedule are the responsibility of the Plan's Administrator.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 5 and 6, which was certified by Prudential Bank and Trust, FSB, and Prudential Retirement Insurance and Annuity Company, the Trustee and the Record-keeper of the Plan, respectively, except for comparing the information with related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee and the Record-keeper as of December 31, 2011 and 2010 and for the year ended December 31, 2011 that the information provided to the Plan Administrator by the Trustee and the Record-keeper is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the Trustee and the Recorder-keeper, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

JLK Partners, LLP

Irvine, California
July 25, 2012

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
INVESTMENTS, at fair value:		
Value of interest in registered investment companies	\$ 6,115,361	\$ 5,142,526
Value of funds held in insurance company general account	<u>3,676,939</u>	<u>3,225,044</u>
Total investments	<u>9,792,300</u>	<u>8,367,570</u>
RECEIVABLES:		
Employer contributions	17,941	16,631
Participant contributions	47,356	46,194
Participant notes receivable	<u>356,036</u>	<u>294,304</u>
Total receivables	<u>421,333</u>	<u>357,129</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 10,213,633</u>	<u>\$ 8,724,699</u>

The accompanying notes are an integral part of these financial statements.

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Employer contributions	\$ 519,440
Employee contributions	1,416,585
Rollover contributions	16,813
Interest and dividends	158,341
Interest on participant notes receivable	<u>15,281</u>

Total additions 2,126,460

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Net decrease in fair value of investments	160,781
Benefits paid to participants	468,816
Administrative expenses	<u>7,929</u>

Total deductions 637,526

NET INCREASE 1,488,934

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<u>8,724,699</u>
End of year	\$ <u><u>10,213,633</u></u>

The accompanying notes are an integral part of these financial statements.

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Description of plan

The following description of the Veterinary Pet Insurance 401(k) Savings Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan and was established as of December 1, 2003. The Plan Sponsor and Plan Administrator is Veterinary Pet Insurance Company. Prudential Bank and Trust, FSB, and Prudential Retirement Insurance and Annuity Company (PRIAC), wholly owned subsidiaries of Prudential Financial, Inc. (Prudential), have been contracted to serve as the Trustee and the Record-keeper of the Plan, respectively.

All employees of the Plan Sponsor are eligible to participate in the Plan. The Plan was established by the Plan Sponsor to provide retirement income for its employees and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Contributions

The Plan is a contributory plan whereby participants may contribute pre-tax annual compensation from 1% to 100% of their salary, not to exceed \$16,500 for 2011. Participants age 50 or older may elect to defer up to an additional \$5,500 of "catch up" contributions to the Plan for 2011. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Plan Sponsor may make discretionary matching contributions to the Plan. For the 2011 Plan year, the Plan Sponsor contributed \$519,440 to the Plan.

Participant accounts

Each participant's individual account is credited with participant contributions, the Plan Sponsor's contributions and Plan investment earnings. Participants may choose to have their account balance deposited in various investment programs. Allocation of Plan investment earnings is based on the participant's account balance, as defined.

Vesting

Participants are immediately vested in their contributions and actual earnings thereon. Participants are 100% vested upon entering the Plan in matching contributions.

Participant notes receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance and each participant is allowed to have one active loan at a time. Loan terms range from one year to a maximum of five years. The loans are secured by the balance in the participant's account and bear a reasonable fixed rate of interest to be determined by the Plan Administrator. Interest rates on participant loans ranged from 4.25% to 9.25% as of December 31, 2011. Principal and interest is paid ratably through either payroll deductions or participant payments.

Payments of benefits

Upon termination of service, a participant may elect to receive, as benefits, a lump sum amount equal to the value of his/her account, distributed in accordance with the Plan.

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Description of plan, continued

Forfeitures

Forfeitures may be used to reduce Plan Sponsor contributions. The forfeiture balance totaled \$196 and \$4 as of December 31, 2011 and 2010, respectively. Forfeitures used to reduce employer contributions for 2011 were \$695.

Administrative expenses

Plan administrative expenses are paid by either the Plan Sponsor or the Plan, as provided in the Plan agreement. Fees paid by the Plan for certain administrative fees amounted to \$7,929 for the year ended December 31, 2011. Fees paid by the Plan Sponsor for administrative fees and trustee services amounted to \$13,629 for the year ended December 31, 2011.

Note 2 - Summary of significant accounting policies

Basis of accounting

The financial statements of the Plan are prepared using the accrual method of accounting. The Plan's investments are stated at fair market value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end.

Participant notes receivable

Participant loans are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on participant loans is recorded when it is earned. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of the Plan document. Related fees are recorded as administrative expenses and are expensed when they are incurred.

Investment valuation and income recognition

The Plan's investments are reported at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Net appreciation in fair value of investments consists of realized gains and losses and the change in unrealized gains and losses in the Plan's investments. Realized gains and losses from the sale of investments are computed using the participant's cost basis in the investment aggregated at the Plan level. Net changes in unrealized appreciation/depreciation in investments represent the difference between the fair value of investments held at year-end and the cost of investments purchased in the current fiscal year or the fair value of investments held at the end of the preceding year.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Plan Sponsor to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Plan Sponsor believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Payments of benefits

Benefits are recorded when paid.

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies, continued

Investment options

At December 31, 2011, participants may self-direct employee and employer contributions to any of the 20 investment options available under the Plan. The investment options include a guaranteed general account contract (the guaranteed income fund), and mutual funds.

Note 3 - Fair value measurements

The Plan categorizes its investments using a three tier fair value hierarchy that is dependent upon the various "inputs" used to determine the value of the Plan's investments. The three levels of the fair value hierarchy under current accounting standards are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include: a) quoted market prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in inactive markets; c) inputs other than quoted prices that are observable for the asset or liability; and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

- *Registered investment companies (mutual funds):* Valued based on quoted market prices (Level 1 inputs).
- *Investment contracts with insurance company:* The fair value of the investment contract have been determined to approximate contract value, based upon the lack of contractual maturity, the frequency of the re-setting of contractual interest rate to market rate, the credit quality of the issuer, no withdrawal penalties or redemption premiums, and the liquidity of the contract (Level 3 inputs).

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 3 - Fair value measurements, continued

The following table below sets forth by level, within the fair value hierarchy, the Plan's assets and fair value as of December 31, 2011:

Assets at fair value as of December 31, 2011				
	Level 1	Level 2	Level 3	Totals
Mutual Funds:				
Fixed Income	\$ 963,698	\$	\$	\$ 963,698
Balanced	892,129			892,129
Large Cap	1,847,239			1,847,239
Mid Cap	1,073,046			1,073,046
Small Cap	366,340			366,340
International	900,109			900,109
Real Estate	72,800			72,800
Guaranteed Interest				
Accounts			3,676,939	3,676,939
Total Investment	\$ 6,115,361	\$ -	\$ 3,676,939	\$ 9,792,300

The following table below sets forth by level, within the fair value hierarchy, the Plan's assets and fair value as of December 31, 2010:

Assets at fair value as of December 31, 2010				
	Level 1	Level 2	Level 3	Totals
Mutual Funds:				
Fixed Income	\$ 666,188	\$	\$	\$ 666,188
Balanced	791,732			791,732
Large Cap	1,789,557			1,789,557
Mid Cap	846,558			846,558
Small Cap	333,136			333,136
International	663,341			663,341
Real Estate	52,014			52,014
Guaranteed Interest				
Accounts			3,225,044	3,225,044
Total Investment	\$ 5,142,526	\$ -	\$ 3,225,044	\$ 8,367,570

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2011:

Balance at January 1, 2011	\$ 3,225,044
Contributions	660,938
Transfers out, net	(63,609)
Interest income	88,992
Disbursements	(234,426)
Balance at December 31, 2011	\$ 3,676,939

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 4 - Party-in-interest transactions

Certain Plan investments are shares of mutual funds, and a guaranteed income fund managed by Prudential, the Trustee and the Record-keeper of the Plan. The Plan allows participants to borrow from their vested balances. These transactions qualify as party-in-interest transactions. All of these transactions are exempt from prohibited transaction rules under ERISA.

Note 5 - Information certified by the Trustee and the Record-keeper

The Plan Sponsor elected the method of compliance permitted by 29 CFR 2520.103-5(c) of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Under this provision of the ERISA, certain information certified need not be subject to independent audit.

The Plan Sponsor has obtained certification from the Trustee and the Record-keeper that the following information included in the Plan's financial statements is complete and accurate:

- a. Investments and participant loans as of December 31, 2011 and 2010.
- b. Investment income and investment transactions for the year ended December 31, 2011.

Note 6 – Investments

The following represents the fair values of investments representing the Plan's net assets available for benefits as of December 31, 2011 and 2010. Fair values of investments that represent five percent or more of the Plan's net assets available for benefits as of December 31, 2011 and 2010 are identified by an asterisk (*):

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Frank Flex Cap Growth A	\$ 600,253	\$ 616,143 *	\$ 518,089	\$ 611,218 *
Highmark Small Cap Value	326,403	317,374	241,301	297,746
MFS Strategic Value A	383,320	411,584	388,816	440,830 *
Oakmark International II	470,371	478,181	383,510	473,631 *
Dreyfus S&P 500 Index	666,677	685,803 *	539,847	575,409 *
Pimco Real Return Bond FD A	501,767	530,461 *	396,480	413,443
Waddell & Reed Adv Vanguard A	122,024	133,709	147,418	162,100
Blackrock Lifepath Ret Inv A	168,012	172,653	156,273	164,683
Blackrock Lifepath 2020 R	363,290	361,531	303,123	319,399
Blackrock Lifepath 2030 R	165,658	169,046	139,657	149,662
Blackrock Lifepath 2040 R	191,232	188,899	151,093	157,988
Baron Growth Fund	515,920	578,687 *	400,909	479,047 *
Pru Jenn MD CP Grow A	66,393	71,758	47,953	54,684
Pimco Total Return A	440,339	433,237	260,114	252,745
Oppen International Grow A	425,578	421,928	163,596	189,710
Nuveen Real Est SEC A	65,224	72,800	46,476	52,014
Victory Established Value	376,065	370,430	291,933	301,748
Principal Midcap S&P 400	55,529	52,171	9,806	11,079
Principal Smcap S&P 600	44,235	48,966	30,145	35,390
Guaranteed Income Fund	<u>3,676,939</u>	<u>3,676,939</u> *	<u>3,225,044</u>	<u>3,225,044</u> *
Totals	\$ <u>9,625,229</u>	\$ <u>9,792,300</u>	\$ <u>7,841,583</u>	\$ <u>8,367,570</u>

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 7 - Investment contract with insurance company

In 2010, the Plan entered into a fully benefit-responsive group annuity contract with PRIAC by investing in the PRIAC Guaranteed Income Fund. PRIAC maintains the contributions in its general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investments at contract value. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. There are no reserves against contract value for credit risk of the issuer or otherwise.

The Plan's investment contract specifies that generally there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time. There are not any events that allow the issuer to terminate the contract and which require the Plan sponsor to settle at an amount different than contract value paid either within 90 days or over time. Currently, management believes that the occurrence of an event that would cause the Plan to transact contract distributions at less than contract value is not probable.

The crediting interest rate of the contract is based on an agreed-upon formula with PRIAC, as defined in the contract agreement, but cannot be less than 1.5%. Such interest rates are reviewed on a semiannual basis for resetting. The key factors that influence future interest crediting rates could include the following: current economic and market conditions; the level of market interest rates; and both the expected and actual experience of a reference portfolio within PRIAC's general account. The resulting gain or loss in the fair value of the investment contract relative to its contract value, if any, is reflected in the Statement of Net Assets Available for Benefits as adjustment from fair value to contract value for fully benefit-responsive investment contracts. No adjustment amount is being reported as management has determined that there is no material difference between contract value and fair value of the contract as of December 31, 2011.

The average yield earned by the Plan under the contract for the year ended December 31, 2011 was 2.65%.

Note 8 - Risk and uncertainties

The Plan provides for various investments in mutual funds and a guaranteed general account contract. Investment securities, in general, are exposed to various risks, such as interest rate, foreign exchange, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and the amounts reported in participant accounts.

Note 9 - Plan termination

The Plan Sponsor has decided to merge this Plan into the Nationwide Savings Plan effective December 31, 2012, see Note 11.

Note 10 - Tax status

The Plan Sponsor has not received a determination letter on its adoption of the prototype non-standardized profit sharing plan. The Plan Sponsor has chosen to rely on the current opinion letter that has been issued to the prototype plan on March 31, 2008. The Plan Sponsor believes that the Plan is being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, believes the Plan is qualified and the related trust is tax-exempt.

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 11 – Subsequent events

The following subsequent events have been evaluated through July 25, 2012:

Subsequent to year end, the Plan Sponsor decided to merge this Plan into the Nationwide Savings Plan effective December 31, 2012. Since all existing Plan participants were already fully vested in contributions, earnings and matching contributions, there will be no impact to participant vested amounts as a result of the merger.

VETERINARY PET INSURANCE
401(k) SAVINGS PLAN

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2011

Employer identification number: 95-3750113

Plan number: 002

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)

<u>(a)</u>	<u>(b) IDENTITY OF ISSUES</u>	<u>(c) DESCRIPTION</u>	<u>(d) COST</u>	<u>(e) FAIR VALUE</u>
*	Prudential Mutual Funds	Frank Flex Cap Growth A	\$ 600,253	\$ 616,143
*	Prudential Mutual Funds	Highmark Small Cap Value	326,403	317,374
*	Prudential Mutual Funds	MFS Strategic Value A	383,320	411,584
*	Prudential Mutual Funds	Oakmark International II	470,371	478,181
*	Prudential Mutual Funds	Dreyfus S&P 500 Index	666,677	685,803
*	Prudential Mutual Funds	Pimco Real Return Bond FD A	501,767	530,461
*	Prudential Mutual Funds	Waddell & Reed Adv Vanguard A	122,024	133,709
*	Prudential Mutual Funds	Blackrock Lifepath Ret Inv A	168,012	172,653
*	Prudential Mutual Funds	Blackrock Lifepath 2020 R	363,290	361,531
*	Prudential Mutual Funds	Blackrock Lifepath 2030 R	165,658	169,046
*	Prudential Mutual Funds	Blackrock Lifepath 2040 R	191,232	188,899
*	Prudential Mutual Funds	Baron Growth Fund	515,920	578,687
*	Prudential Mutual Funds	Pru Jenn MD CP Grow A	66,393	71,758
*	Prudential Mutual Funds	Pimco Total Return A	440,339	433,237
*	Prudential Mutual Funds	Oppen International Grow A	425,578	421,928
*	Prudential Mutual Funds	Nuveen Real Est SEC A	65,224	72,800
*	Prudential Mutual Funds	Victory Established Value	376,065	370,430
*	Prudential Mutual Funds	Principal Midcap S&P 400	55,529	52,171
*	Prudential Mutual Funds	Principal Smcap S&P 600	44,235	48,966
*	Prudential Retirement Insurance and Annuity Company	Guaranteed Income Fund	3,676,939	3,676,939
		Subtotal	9,625,229	9,792,300
*	Participant Notes Receivable	Maturities to 2016, at interest rates ranging from 4.25 % to 9.25%	-	356,036
		TOTAL	\$ 9,625,229	\$ 10,148,336
*	Indicates party-in-interest to the Plan.			