were no amounts outstanding under this facility at March 31, 2012.

B. Federal Home Loan Bank Agreements

None.

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

A. Defined Benefit Plans

In connection with the sale of HMS in January 2012, the Corporation recognized curtailment gains of $19,946,384 in the pension plan and $245,352 in the nonqualified pension plan and a curtailment loss of $3,525,176 in the retiree welfare plan. These amounts were recognized in aggregate write-ins for other expense on the statutory financial statements.

B. Defined Contribution Plans

No significant change.

C. Multiemployer Plans

None.

D. Consolidated/Holding Company Plans

None.

E. Postemployment Benefits and Compensated Absences

No change.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

None.

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

The Corporation is a non-stock, nonprofit corporation. The Corporation had no outstanding surplus notes at March 31, 2012. Surplus at March 31, 2012 included cumulative net unrealized gains of $1,528,867,521.

14. Contingencies

A. Contingent Commitments

At March 31, 2012, the Corporation had committed $15,485,024 to various limited partnership investments. These commitments are due upon capital calls by the general partners of the partnerships. The Corporation also had various contingent commitments relating to certain SCAs. (Refer to Note 10E – Commitments and Contingencies to SCAs.)

B. Assessments

None.

C. Gain Contingencies

None.

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

None.

E. All Other Contingencies

In September of 2011, Herman Wooden, a former corporate member, filed a lawsuit against Highmark in the Common Pleas Court of Philadelphia County alleging that Highmark is violating the Pennsylvania non-profit law by accumulating more than “incidental profits.” Subsequently, a second former corporate member, Thomas Logan, filed a nearly identical lawsuit through the same counsel. Both plaintiffs are seeking creation of a common fund for the disposition of any funds determined by the court to constitute more than “incidental profits” as well as an award of attorneys’ fees and costs. The Common Pleas court approved a stipulation to consolidate the two cases, approved Highmark’s request for a protective order of confidential information, granted a praecipe to discontinue the separate Logan action, dismissed as moot Highmark’s original preliminary objections, Wooden’s preliminary objections to Highmark’s preliminary objections, and Wooden’s motion to take discovery. The Court has established a new schedule for the filing of new preliminary objections in which Highmark has argued that, among other things, Messers. Wooden and Logan lack standing to pursue the matter and that they have failed to state a viable cause of action under the non-profit law. The Corporation believes, based on consultation with legal counsel, that it has meritorious defenses to the claims in this matter, but it is