

QUARTERLY STATEMENT

OF THE

DELTA DENTAL PLAN

OF

ARKANSAS, INC.

of SHERWOOD

in the state of ARKANSAS

TO THE

Insurance Department

OF THE

STATE OF

STATE OF ARKANSAS

FOR THE QUARTER ENDED

June 30, 2010

HEALTH

2010



47155201020100120

HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2010
OF THE CONDITION AND AFFAIRS OF THE
Delta Dental Plan of Arkansas, Inc.

NAIC Group Code 0000 0000 NAIC Company Code 47155 Employer's ID Number 71-0561140
(Current Period) (Prior Period)

Organized under the Laws of Arkansas State of Domicile or Port of Entry Arkansas
Country of Domicile United States

Licensed as business type: Life, Accident & Health Property/Casualty Hospital, Medical & Dental Service or Indemnity
Dental Service Corporation Vision Service Corporation Health Maintenance Organization
Other Is HMO Federally Qualified? Yes No

Incorporated/Organized: March 15, 1982 Commenced Business: August 1, 1982

Statutory Home Office: 1513 Country Club Road, Sherwood, AR 72120
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office: 1513 Country Club Road
(Street and Number)
Sherwood, AR 72120 501-835-3400
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address: 1513 Country Club Road, Sherwood, AR 72120
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records: 1513 Country Club Road, Sherwood, AR 72120 501-835-3400
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address: www.deltadentalar.com

Statutory Statement Contact: Phyllis L. Rogers 501-992-1616
(Name) (Area Code) (Telephone Number) (Extension)
progers@ddpar.com 501-992-1617
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title
1. <u>Eddie Allen Choate</u>	<u>President and CEO</u>
2. <u>Paul David Fitzgerald</u>	<u>Secretary</u>
3. <u>Susan Jane Fletcher Smith</u>	<u>Treasurer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>Ina Lynn Harbert</u>	<u>Senior Vice President and COO</u>	<u>Phyllis Lynn Rogers</u>	<u>Senior Vice President and CFO</u>
<u>Herman Eldon Hurd</u>	<u>Vice President of Provider Relations</u>	<u>Allen Dale Moore</u>	<u>Vice President of Information Technology</u>
<u>Timothy Wayne Carney</u>	<u>Senior Vice President of Sales and Marketi</u>	<u>James Durette Johnson</u>	<u>Senior Vice President of Business Developme</u>

DIRECTORS OR TRUSTEES

<u>Ronald Paul Ownbey</u>	<u>Harold Wayne Perrin</u>	<u>Robert Joe Matlock</u>	<u>Robert Howard Gladden</u>
<u>Ebb Weldon Johnson</u>	<u>James Talbert Johnston</u>	<u>Byron Scott Southern</u>	<u>Paul David Fitzgerald</u>
<u>Susan Jane Fletcher Smith</u>			

State of Arkansas
County of Pulaski ss

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.

<u>(Signature)</u> <u>Eddie Choate</u> <u>(Printed Name)</u> 1. <u>President and CEO</u> <u>(Title)</u>	<u>(Signature)</u> <u>Paul Fitzgerald</u> <u>(Printed Name)</u> 2. <u>Secretary</u> <u>(Title)</u>	<u>(Signature)</u> <u>Not Required</u> <u>(Printed Name)</u> 3. <u>Treasurer</u> <u>(Title)</u>
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Subscribed and sworn to before me this _____ day of _____, 2010

a. Is this an original filing? Yes No
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	21,405,304		21,405,304	19,077,963
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	10,830,695	1,072,017	9,758,678	12,689,515
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	10,049,658		10,049,658	10,141,295
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 11,482,654), cash equivalents (\$ 0), and short-term investments (\$ 156,054)	11,638,708		11,638,708	12,612,891
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	2,000,000		2,000,000	1,000,000
9. Receivables for securities				
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	55,924,365	1,072,017	54,852,348	55,521,664
12. Title plants less \$ 0 charged off (for Title insurers only)				
13. Investment income due and accrued	147,855		147,855	168,103
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	505,402		505,402	286,809
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
14.3 Accrued retrospective premiums				
15 Reinsurance:				
15.1 Amounts recoverable from reinsurers	27,947		27,947	27,947
15.2 Funds held by or deposited with reinsured companies				
15.3 Other amounts receivable under reinsurance contracts				
16. Amounts receivable relating to uninsured plans	10,545,783		10,545,783	7,251,579
17.1 Current federal and foreign income tax recoverable and interest thereon				
17.2 Net deferred tax asset				
18. Guaranty funds receivable or on deposit				
19. Electronic data processing equipment and software	2,915,106	2,028,363	886,743	1,090,021
20. Furniture and equipment, including health care delivery assets (\$ 0)	584,834	584,834		
21. Net adjustment in assets and liabilities due to foreign exchange rates				
22. Receivables from parent, subsidiaries and affiliates	149,571		149,571	204,881
23. Health care (\$ 0) and other amounts receivable				
24. Aggregate write-ins for other than invested assets	516,275	516,275		
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	71,317,138	4,201,489	67,115,649	64,551,004
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27. Total (Lines 25 and 26)	71,317,138	4,201,489	67,115,649	64,551,004

DETAILS OF WRITE-IN LINES				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above)				
2401. Prepaid Expenses	516,275	516,275		
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	516,275	516,275		

NONE

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	2,224,122		2,224,122	2,381,317
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	95,809		95,809	85,421
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	1,719,815		1,719,815	1,489,657
9. General expenses due or accrued	903,961		903,961	1,076,181
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	2,872,838		2,872,838	2,548,154
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates	1,102,665		1,102,665	1,421,077
16. Derivatives				
17. Payable for securities				
18. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
19. Reinsurance in unauthorized companies				
20. Net adjustments in assets and liabilities due to foreign exchange rates				
21. Liability for amounts held under uninsured plans	2,187,265		2,187,265	2,197,865
22. Aggregate write-ins for other liabilities (including \$ 0 current)				
23. Total liabilities (Lines 1 to 22)	11,106,475		11,106,475	11,199,672
24. Aggregate write-ins for special surplus funds	X X X	X X X		
25. Common capital stock	X X X	X X X		
26. Preferred capital stock	X X X	X X X		
27. Gross paid in and contributed surplus	X X X	X X X		
28. Surplus notes	X X X	X X X		
29. Aggregate write-ins for other than special surplus funds	X X X	X X X	50,000	50,000
30. Unassigned funds (surplus)	X X X	X X X	55,959,174	53,301,332
31. Less treasury stock, at cost:				
31.1 0 shares common (value included in Line 25 \$ 0)	X X X	X X X		
31.2 0 shares preferred (value included in Line 26 \$ 0)	X X X	X X X		
32. Total capital and surplus (Lines 24 to 30 minus Line 31)	X X X	X X X	56,009,174	53,351,332
33. Total liabilities, capital and surplus (Lines 23 and 32)	X X X	X X X	67,115,649	64,551,004

DETAILS OF WRITE-IN LINES				
2201.				
2202.				
2203.				
2298. Summary of remaining write-ins for Line 22 from overflow page				
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)				
2401.	X X X	X X X		
2402.	X X X	X X X		
2403.	X X X	X X X		
2498. Summary of remaining write-ins for Line 24 from overflow page	X X X	X X X		
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	X X X	X X X		
2901. Surplus required by the Arkansas Insurance Department	X X X	X X X	50,000	50,000
2902.	X X X	X X X		
2903.	X X X	X X X		
2998. Summary of remaining write-ins for Line 29 from overflow page	X X X	X X X		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	X X X	X X X	50,000	50,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year	Prior Year Ended
	To Date		To Date	December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	971,687	886,070	1,848,061
2. Net premium income (including \$ 0 non-health premium income)	X X X	37,471,672	36,370,867	73,311,680
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ 0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X	4,458	1,383	33,890
8. Total revenues (Lines 2 to 7)	X X X	37,476,130	36,372,250	73,345,570
Hospital and Medical:				
9. Hospital/medical benefits		28,516,926	28,579,338	55,961,019
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area				
13. Prescription drugs				
14. Aggregate write-ins for other hospital and medical				
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)		28,516,926	28,579,338	55,961,019
Less:				
17. Net reinsurance recoveries		103,223		7,538
18. Total hospital and medical (Lines 16 minus 17)		28,413,703	28,579,338	55,953,481
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 0 cost containment expenses		2,102,677	1,896,591	3,678,411
21. General administrative expenses		5,755,972	4,991,294	10,115,634
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		36,272,352	35,467,223	69,747,526
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	1,203,778	905,027	3,598,044
25. Net investment income earned		1,230,269	1,405,555	2,671,831
26. Net realized capital gains (losses) less capital gains tax of \$ 0		1,026,366		
27. Net investment gains (losses) (Lines 25 plus 26)		2,256,635	1,405,555	2,671,831
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]				
29. Aggregate write-ins for other income or expenses				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	3,460,413	2,310,582	6,269,875
31. Federal and foreign income taxes incurred	X X X			
32. Net income (loss) (Lines 30 minus 31)	X X X	3,460,413	2,310,582	6,269,875

DETAILS OF WRITE-IN LINES				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X			
0701. Miscellaneous Income	X X X	4,458	1,383	33,890
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X	4,458	1,383	33,890
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	53,351,332	46,108,881	46,108,881
34. Net income or (loss) from Line 32	3,460,413	2,310,582	6,269,875
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	(1,525,006)	99,777	2,090,020
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	722,435	(550,083)	(1,117,444)
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	2,657,842	1,860,276	7,242,451
49. Capital and surplus end of reporting period (Line 33 plus 48)	56,009,174	47,969,157	53,351,332

DETAILS OF WRITE-IN LINES			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	37,483,237	36,601,485	73,834,810
2. Net investment income	1,261,489	1,446,406	3,599,542
3. Miscellaneous income	4,458	39,911	6,041
4. Total (Lines 1 to 3)	38,749,184	38,087,802	77,440,393
5. Benefit and loss related payments	28,570,898	28,546,611	56,098,814
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	10,185,800	9,212,880	10,977,959
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	38,756,698	37,759,491	67,076,773
11. Net cash from operations (Line 4 minus Line 10)	(7,514)	328,311	10,363,620
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	2,420,000	1,650,000	2,220,000
12.2 Stocks	4,599,658		
12.3 Mortgage loans			
12.4 Real estate		20	
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	7,019,658	1,650,020	2,220,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds	4,758,315	1,470,023	2,939,488
13.2 Stocks	2,271,863	2,000,000	2,000,000
13.3 Mortgage loans			
13.4 Real estate	18,982	324,587	854,346
13.5 Other invested assets	1,000,000		1,000,000
13.6 Miscellaneous applications		608,444	3,137,794
13.7 Total investments acquired (Lines 13.1 to 13.6)	8,049,160	4,403,054	9,931,628
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,029,502)	(2,753,034)	(7,711,628)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	62,833		
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	62,833		
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)	(974,183)	(2,424,723)	2,651,992
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	12,612,891	9,960,899	9,960,899
19.2 End of period (Line 18 plus Line 19.1)	11,638,708	7,536,176	12,612,891

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

20.0001			
20.0002			
20.0003			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	160,553				23,708	136,845				
2. First Quarter	161,205				24,301	136,904				
3. Second Quarter	165,548				27,136	138,412				
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	971,687				149,264	822,423				
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Totals										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)	38,138,305				1,658,544	36,479,761				
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	37,471,672				829,272	36,642,400				
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	28,561,860				457,108	28,104,752				
18. Amount Incurred for Provision of Health Care Services	28,516,926				864,691	27,652,235				

(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 Dec. 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)						
2. Medicare Supplement						
3. Dental only	1,923,011	26,181,742		2,088,409	1,923,011	2,219,883
4. Vision only	48,431	408,677		144,751	48,431	161,434
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	1,971,442	26,590,419		2,233,160	1,971,442	2,381,317
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	1,971,442	26,590,419		2,233,160	1,971,442	2,381,317

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. No Change
- b. No Change
- c. (1) No Change
- (2) No Change
- (3) No Change
- (4) No Change
- (5) No Change
- (6) No Change
- (7) No Change
- d. No Change

NOTE 2 - ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No Change

NOTE 3 - BUSINESS COMBINATIONS AND GOODWILL

No Change

NOTE 4 - DISCONTINUED OPERATIONS

No Change

NOTE 5 - INVESTMENTS

No Change

NOTE 6 - JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No Change

NOTE 7 - INVESTMENT INCOME

No Change

NOTE 8 - DERIVATIVE INSTRUMENTS

No Change

NOTE 9 - INCOME TAXES

No Change

NOTE 10 - INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

No Change

NOTE 11 - DEBT

No Change

NOTE 12 - RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSESNES AND OTHER POSTRETIREMENT BENEFIT PLANS

No Change

NOTE 13 - CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

No Change

NOTES TO FINANCIAL STATEMENTS

NOTE 14 CONTINGENCIES

No Change

NOTE 15 - LEASES

No Change

NOTE 16 - INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

No Change

NOTE 17 - SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES

No Change

NOTE 18 - GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND FROM THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

b. The gain from operations from Administrative Services Contract (ASC) uninsured plans and uninsured portion of partially insured plans were as follows for the three months ended June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
(a) Gross reimbursement for medical costs incurred	\$ 135,309,803	\$ 133,973,984
(b) Gross Administrative fees accrued	6,524,098	6,803,307
(c) Other income and expenses	(141,833,901)	(140,777,291)
(d) Total net gain or loss from operations	-	-
(e) Total net Gain or loss from operations	<u>\$ -</u>	<u>\$ -</u>

NOTE 19 - DIRECT PREMIUMS WRITTEN OR PRODUCED BY MANAGING GENERAL AGENTS OR THIRD PARTY ADMINISTRATORS

No Change

NOTE 20 - OTHER ITEMS

No Change

NOTE 21 - EVENTS SUBSEQUENT

No Change

NOTE 22 - REINSURANCE

No Change

NOTE 23 - RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

No Change

NOTE 24 - CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

No Change

NOTE 25 - INTERCOMPANY POOLING ARRANGEMENTS

No Change

NOTE 26 - STRUCTURED SETTLEMENTS

NOTES TO FINANCIAL STATEMENTS

No Change

NOTE 27 - HEALTH CARE RECEIVABLES

No Change

NOTE 28 - PARTICIPATING POLICIES

No Change

NOTE 29 - PREMIUM DEFICIENCY RESERVES

No Change

NOTE 30 - ANTICIPATED SALVAGE AND SUBROGATION

No Change

NOTE 31 - ORGANIZATION AND OPERATION

No Change

NOTE 32 - MINIMUM NET WORTH

No Change

NOTE 33 - PROPERTY AND EQUIPMENT

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

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]
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. _____ 12/31/2007 _____

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. _____ 04/07/2009 _____

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). _____ 06/11/2009 _____

6.4 By what department or departments?
Arkansas Insurance Department
.....
.....
.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []

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]

GENERAL INTERROGATORIES

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 Office of Thrift Supervision (OTS), 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 OTS	6 FDIC	7 SEC
.....
.....

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (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.

Yes [X] No []

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 [X]

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 [X]

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 [X] No []

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 149,571

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 [X]

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:

\$ _____

GENERAL INTERROGATORIES

13. Amount of real estate and mortgages held in short-term investments: \$ _____

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	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ 2,515,529	\$ 2,214,406
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 2,515,529	\$ 2,214,406
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

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.

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Stephens Capital Management	111 Center Street, Little Rock, AR 72201
Intrust	5314 S. Yale Avenue, Suite 206, Tulsa OK 74135
Wells Fargo	100 North Main Street, Winson Salem, NC 27150

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes No

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

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

GENERAL INTERROGATORIES

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

1 Central Registration Depository	2 Name(s)	3 Address
185569879/80024403	Stephens Capital Management	111 Center Street, Little Rock, AR 72201
184362370/18428499	Stephens Capital Management	111 Center Street, Little Rock, AR 72201
111576	Floyd Capital Management	4612 Summerhill Road, Texarkana, TX 75503
670048016	Intrust	5314 S. Yale Avenue, Suite 206, Tulsa, OK 74135

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes No

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
- 1.1 A&H loss percent _____ %
- 1.2 A&H cost containment percent _____ %
- 1.3 A&H expense percent excluding cost containment expenses _____ %
- 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. \$ _____
- 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. \$ _____

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1	2	3	4	5	6	7
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Location	Type of Reinsurance Ceded	Is Insurer Authorized? (Yes or No)
			NONE			

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property / Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	L	38,138,305					38,138,305	
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CN	N							
58. Aggregate other alien	OT	XXX							
59. Subtotal		XXX	38,138,305					38,138,305	
60. Reporting entity contributions for Employee Benefit Plans		XXX							
61. Totals (Direct Business)	(a) 1		38,138,305					38,138,305	

DETAILS OF WRITE-INS									
5801.		XXX							
5802.		XXX							
5803.		XXX							
5898. Summary of remaining write-ins for Line 58		XXX							
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX							

NONE

(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.

NONE Schedule Y - Part 1

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?

..... NO



47155200900102

OVERFLOW PAGE FOR WRITE-INS

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	10,141,295	9,993,719
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	18,982	359,361
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	110,619	211,785
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	10,049,658	10,141,295
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	10,049,658	10,141,295

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	1,000,000	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	1,000,000	1,000,000
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 depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	2,000,000	1,000,000
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	2,000,000	1,000,000

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	32,735,091	27,939,138
2. Cost of bonds and stocks acquired	7,030,178	4,939,488
3. Accrual of discount	13,754	34,915
4. Unrealized valuation increase (decrease)	(1,525,005)	2,090,020
5. Total gain (loss) on disposals	1,026,366	
6. Deduct consideration for bonds and stocks disposed of	7,019,658	2,220,000
7. Deduct amortization of premium	24,726	48,470
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	32,236,000	32,735,091
11. Deduct total nonadmitted amounts	1,072,017	967,613
12. Statement value at end of current period (Line 10 minus Line 11)	31,163,983	31,767,478

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)	19,371,666	4,755,516	2,560,483	(5,342)	19,371,666	21,561,357		19,223,353
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	19,371,666	4,755,516	2,560,483	(5,342)	19,371,666	21,561,357		19,223,353
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	19,371,666	4,755,516	2,560,483	(5,342)	19,371,666	21,561,357		19,223,353

(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

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	156,054	X X X	156,054		

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	145,392	
2. Cost of short-term investments acquired	2,600,662	1,728,517
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	2,590,000	1,583,125
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	156,054	145,392
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	156,054	145,392

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

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

NONE

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
Lot 1 Lot 1R 24 Baptist Health Sherwood - Sherwood Building	Sherwood	AR	05/11/2010	Advanced Cabling Fire Security & Various Vendors	16,713			
LR Port Industrial Park, Tract B-4, Area 102 - Little Rock Building	Little Rock	AR	05/18/2010	Advanced Cabling Fire Security	2,269			
0199999 Acquired by Purchase					18,982			
0399999 Totals					18,982			

EO1

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
NONE																			
0399999 Total																			

NONE Schedule B - Part 2 and 3

NONE Schedule BA - Part 2 and 3

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
912828-NH-9	U S Treasury Bond		06/18/2010	Stephens Capital Manageme		149,666	150,000.00	28	1
0399999	Total Bonds U. S. Government				X X X	149,666	150,000.00	28	X X X
3137EA-CJ-6	Federal Hom Loan Mortgage Corpo		06/02/2010	Stephens Capital Manageme		1,004,540	1,000,000.00	4,017	1FE
31398A-XJ-6	Federal National Mortgage Assn		04/29/2010	Stephens Capital Manageme		504,125	500,000.00	5,729	1FE
3199999	U.S. Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	1,508,665	1,500,000.00	9,746	X X X
31428Q-74-7	Federated Ultrashort Bond Fund		06/22/2010	Intrust		2,000,000			1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	2,000,000			X X X
8399997	Total Bonds Part 3				X X X	3,658,331	1,650,000.00	9,774	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	3,658,331	1,650,000.00	9,774	X X X
026762-70-8	American Independence Stock FD Srv		06/22/2010	Intrust	24,324.324	315,000			L
38141W-39-8	Goldman Sachs Mid Cap Value		06/22/2010	Intrust	6,448.413	195,000			L
411511-30-6	Harbor International Instl CL		06/22/2010	Intrust	4,396.249	225,000			L
00142F-14-7	Invesco US Small Cap Value Fund		06/22/2010	Intrust	5,452.067	120,000			L
464287-23-4	IShares Trust MSCI Emrg Mkts Index		06/18/2010	Wells Fargo	1,246.000	50,026			L
464287-59-8	IShares Trust Russell 1000 Value		06/21/2010	Stephens Capital Manageme	1,200.000	70,887			L
464287-65-5	IShares Trust Russell 2000 Index		06/21/2010	Stephens Capital Manageme	742.000	50,378			L
552983-52-0	MFS New Discovery Fund		06/22/2010	Intrust	4,339.441	90,000			L
617440-50-8	Morgan Stanley Mid Cap Growth Fund		06/22/2010	Intrust	5,911.330	180,000			L
683974-50-5	Oppenheimer Developing Markets Fnd		06/22/2010	Intrust	2,592.465	75,000			L
73935A-10-4	Powershares QQQ		06/18/2010	Wells Fargo	1,060.000	49,976			L
78462F-10-3	SPDR S&P 500 Trust ETF		06/18/2010	Wells Fargo	444.000	49,711			L
741479-10-9	T Rowe Price Growth Stk Fnd Ind Cm		06/22/2010	Intrust	10,501.105	285,000			L
9299999	Total Common Stock Mutual Funds				X X X	1,755,978	X X X		X X X
9799997	Total Common Stock Part 3				X X X	1,755,978	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stock				X X X	1,755,978	X X X		X X X
9899999	Total Preferred and Common Stock				X X X	1,755,978	X X X		X X X

E04

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

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
31398A-PV-8	Federal National Mortgage Assn		05/20/2010	MATURITY		1,000,000	1,000,000.00	1,016,318	1,004,468		(4,468)		(4,468)		1,000,000				11,875	05/20/2010	1FE	
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl				X X X	1,000,000	1,000,000.00	1,016,318	1,004,468		(4,468)		(4,468)		1,000,000				11,875	X X X	X X X	
8399997	Total - Bonds - Part 4				X X X	1,000,000	1,000,000.00	1,016,318	1,004,468		(4,468)		(4,468)		1,000,000				11,875	X X X	X X X	
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	1,000,000	1,000,000.00	1,016,318	1,004,468		(4,468)		(4,468)		1,000,000				11,875	X X X	X X X	
464287-47-3	IShares Russel Midcap Value		06/11/2010	VARIOUS	27,545.00	1,062,302	783,380	1,017,788	(234,408)			(234,408)		783,380		278,922	278,922	4,136			L	
464287-48-1	IShares Russell Mid Inx Grth Fund		06/11/2010	VARIOUS	22,715.00	1,056,114	710,525	1,029,898	(319,373)			(319,373)		710,525		345,589	345,589	1,921			L	
464287-23-4	IShares Trust MSCI Emrg Mkts Index		06/22/2010	Wells Fargo	1,246.00	50,006	50,026							50,026		(20)	(20)				L	
464287-59-8	IShares Trust Russell 1000 Value		06/11/2010	Stephens Capital Mana	15,040.00	860,734	744,781	863,296	(118,515)			(118,515)		744,781		115,953	115,953	3,964			L	
464287-65-5	IShares Trust Russell 2000 Index		06/21/2010	Wells Fargo	742.00	48,923	50,378							50,378		(1,456)	(1,456)				L	
464287-63-0	IShares Trust Russell 2000 Value		06/11/2010	VARIOUS	17,035.00	1,030,377	837,611	988,711	(151,100)			(151,100)		837,611		192,766	192,766	2,852			L	
73935A-10-4	Powershares QQQ		06/22/2010	Wells Fargo	1,060.00	49,269	49,976							49,976		(707)	(707)				L	
78462F-10-3	SPDR S&P 500 Trust ETF		06/22/2010	Wells Fargo	444.00	49,047	49,711							49,711		(665)	(665)				L	
9299999	Total - Common Stock - Mutual Funds				X X X	4,206,772	X X X	3,276,388	3,899,693	(823,396)		(823,396)		3,276,388		930,382	930,382	12,873	X X X	X X X		
9799997	Total - Common Stock - Part 4				X X X	4,206,772	X X X	3,276,388	3,899,693	(823,396)		(823,396)		3,276,388		930,382	930,382	12,873	X X X	X X X		
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
9799999	Total Common Stocks				X X X	4,206,772	X X X	3,276,388	3,899,693	(823,396)		(823,396)		3,276,388		930,382	930,382	12,873	X X X	X X X		
9899999	Total Preferred and Common Stocks				X X X	4,206,772	X X X	3,276,388	3,899,693	(823,396)		(823,396)		3,276,388		930,382	930,382	12,873	X X X	X X X		
9999999	Totals					5,206,772	X X X	4,292,706	4,904,161	(823,396)	(4,468)	(827,864)		4,276,388		930,382	930,382	24,748	X X X	X X X		

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

NONE Schedule DB - Part A - Section 1

NONE Schedule DB - Part B - Section 1

NONE Schedule DB - Part D

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
			NONE				
8699999 Total Cash Equivalents							

E10