



QUARTERLY STATEMENT
AS OF June 30, 2010
OF THE CONDITION AND AFFAIRS OF THE
QCA Health Plan, Inc.

NAIC Group Code 0000 , 0000 NAIC Company Code 95448 Employer's ID Number 71-0794605
(Current Period) (Prior Period)

Organized under the Laws of Arkansas , State of Domicile or Port of Entry Arkansas

Country of Domicile United States of America

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

Incorporated/Organized 04/08/1996 Commenced Business 07/31/1996

Statutory Home Office 12615 Chenal Parkway, Suite 300 , Little Rock, AR 72211
(Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office 12615 Chenal Parkway, Suite 300
(Street and Number)

Little Rock, AR 72211 (501)228-7111
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 12615 Chenal Parkway, Suite 300 , Little Rock, AR 72211
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records 12615 Chenal Parkway, Suite 300
(Street and Number)

Little Rock, AR 72211 (501)228-7111
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.qualchoice.com

Statutory Statement Contact Randall Crow (501)219-5109
(Name) (Area Code)(Telephone Number)(Extension)
randall.crow@qualchoice.com (501)228-0135
(E-Mail Address) (Fax Number)

OFFICERS

<u>Name</u>	<u>Title</u>
Michael Edward Stock	President
James W. Couch	Secretary
Randall Alvin Crow	Treasurer

OTHERS

Miles Haley Wilson, Vice President/CIO-I.T.
Fidel O Davila M.D., Vice President - Medical Affairs
Betty Jo Tatum-Himes, Vice President - Sales & Marketing

James W. Couch J.D., Chief Compliance Officer
Joni Self Daniels, Vice President - Operations
Jon Foose, Vice President - Underwriting

DIRECTORS OR TRUSTEES

Richard Allen Pierson	Walter Golden #
Buford Joseph Suffridge DDS, MS,PA	Joseph Patrick Searcy
James Arden Tanner M.D.	Charles W. Smith M.D.
Barbara Garner Williams RN, PhD	Joseph Maurice Elser M.D.
Raymond William Montgomery II	James Knox Hendren PhD

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 the 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.

_____ (Signature) Michael Edward Stock _____ (Printed Name) 1. President _____ (Title)	_____ (Signature) James W. Couch _____ (Printed Name) 2. Secretary _____ (Title)	_____ (Signature) Randall Alvin Crow _____ (Printed Name) 3. Treasurer _____ (Title)
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Subscribed and sworn to before me this _____ day of _____, 2010

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

Yes[X] No[]

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

Martin Fiser M.D.
Michael Edward Stock

Harold Jackson Lassiter Jr.
Alan D. Winkler

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	15,023,240		15,023,240	13,661,046
2. Stocks:				
2.1 Preferred stocks	1,500,000		1,500,000	
2.2 Common stocks				
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)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....23,639,722), cash equivalents (\$.....0) and short-term investments (\$.....0)	23,639,722		23,639,722	24,157,667
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives				
8. Other invested assets	5,611		5,611	5,604
9. Receivables for securities				
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	40,168,573		40,168,573	37,824,317
12. Title plants less \$.....0 charged off (for Title insurers only)				
13. Investment income due and accrued	207,613		207,613	145,052
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	393,565		393,565	444,724
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	801,389		801,389	294,611
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	184,580		184,580	77,203
17.1 Current federal and foreign income tax recoverable and interest thereon				
17.2 Net deferred tax asset	733,626		733,626	733,626
18. Guaranty funds receivable or on deposit				
19. Electronic data processing equipment and software				
20. Furniture and equipment, including health care delivery assets (\$.....0)				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Receivables from parent, subsidiaries and affiliates	186,136		186,136	186,136
23. Health care (\$.....0) and other amounts receivable	552,334	455,540	96,794	
24. Aggregate write-ins for other than invested assets	500,467	52,475	447,992	233,072
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	43,728,283	508,015	43,220,268	39,938,741
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27. Total (Lines 25 and 26)	43,728,283	508,015	43,220,268	39,938,741
DETAILS OF WRITE-INS				
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. State of Arkansas, CHIP deduction	447,993		447,993	233,073
2402. Prepaid	52,475	52,475		
2403. rounding	(1)		(1)	(1)
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	500,467	52,475	447,992	233,072

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	13,451,263	1,065,834	14,517,097	11,661,644
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	67,749		67,749	67,749
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	2,990,914		2,990,914	2,986,587
9. General expenses due or accrued	1,570,974		1,570,974	1,470,739
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))	13,143		13,143	(9,750)
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
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	46,103		46,103	971,826
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	827,079		827,079	1,077,825
22. Aggregate write-ins for other liabilities (including \$.....0 current)	(1)		(1)	(1)
23. Total liabilities (Lines 1 to 22)	18,967,224	1,065,834	20,033,058	18,226,619
24. Aggregate write-ins for special surplus funds	X X X	X X X		
25. Common capital stock	X X X	X X X	1,553	1,553
26. Preferred capital stock	X X X	X X X	25,500,046	25,500,046
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		
30. Unassigned funds (surplus)	X X X	X X X	(2,314,029)	(3,789,117)
31. Less treasury stock, at cost:				
31.10 shares common (value included in Line 25 \$.....0)	X X X	X X X	360	360
31.20 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	23,187,210	21,712,122
33. Total Liabilities, capital and surplus (Lines 23 and 32)	X X X	X X X	43,220,268	39,938,741
DETAILS OF WRITE-INS				
2201. rounding	(1)		(1)	(1)
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)	(1)		(1)	(1)
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.	X X X	X X X		
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		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	276,647	226,646	482,872
2. Net premium income (including \$.....0 non-health premium income)	X X X	71,956,961	58,548,599	124,222,104
3. Change in unearned premium reserves and reserves 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			
8. Total revenues (Lines 2 to 7)	X X X	71,956,961	58,548,599	124,222,104
Hospital and Medical:				
9. Hospital/medical benefits	4,215,807	47,906,901	36,771,004	82,593,103
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area	129,490	1,471,476	1,923,097	2,538,167
13. Prescription drugs		12,620,562	9,982,636	21,321,735
14. Aggregate write-ins for other hospital and medical				
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)	4,345,297	61,998,939	48,676,737	106,453,005
Less:				
17. Net reinsurance recoveries		1,094,952	766,921	1,886,776
18. Total hospital and medical (Lines 16 minus 17)	4,345,297	60,903,987	47,909,816	104,566,229
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$.....1,814,999 cost containment expenses		2,436,240	2,354,155	4,244,271
21. General administrative expenses		7,714,760	6,462,906	13,438,796
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)	4,345,297	71,054,987	56,726,877	122,249,296
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	901,974	1,821,722	1,972,808
25. Net investment income earned		180,693	285,940	460,134
26. Net realized capital gains (losses) less capital gains tax of \$.....0				3,156
27. Net investment gains or (losses) (Lines 25 plus 26)		180,693	285,940	463,290
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		(1)		(2)
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	1,082,666	2,107,662	2,436,096
31. Federal and foreign income taxes incurred	X X X	37,891	73,768	42,228
32. Net income (loss) (Lines 30 minus 31)	X X X	1,044,775	2,033,894	2,393,868
DETAILS OF WRITE-INS				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
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. rounding		(1)		(2)
2902. 0				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		(1)		(2)

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	21,712,122	19,635,840	19,635,840
34. Net income or (loss) from Line 32	1,044,775	2,033,894	2,393,868
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			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			109,626
39. Change in nonadmitted assets	430,323	128,760	(427,212)
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	(10)	(6)	
48. Net change in capital and surplus (Lines 34 to 47)	1,475,088	2,162,648	2,076,282
49. Capital and surplus end of reporting period (Line 33 plus 48)	23,187,210	21,798,488	21,712,122
DETAILS OF WRITE-INS			
4701. Rounding	(10)	(6)	
4702. 0			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(10)	(6)	

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations				
1.	Premiums collected net of reinsurance	72,391,708	57,950,463	124,260,725
2.	Net investment income	135,907	260,373	537,776
3.	Miscellaneous income	6,743	132,950	(53,851)
4.	Total (Lines 1 to 3)	72,534,358	58,343,786	124,744,650
5.	Benefit and loss related payments	58,555,312	45,201,565	102,074,024
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	10,408,889	8,586,237	17,826,759
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	14,998	67,228	74,104
10.	Total (Lines 5 through 9)	68,979,199	53,855,030	119,974,887
11.	Net cash from operations (Line 4 minus Line 10)	3,555,159	4,488,756	4,769,763
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds	3,300,000	4,250,000	6,375,000
12.2	Stocks			
12.3	Mortgage loans			
12.4	Real estate			
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)	3,300,000	4,250,000	6,375,000
13.	Cost of investments acquired (long-term only):			
13.1	Bonds	4,679,969	4,979,149	7,700,292
13.2	Stocks	1,500,000		
13.3	Mortgage loans			
13.4	Real estate			
13.5	Other invested assets			
13.6	Miscellaneous applications	7	3,172	24
13.7	Total investments acquired (Lines 13.1 to 13.6)	6,179,976	4,982,321	7,700,316
14.	Net increase (or decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(2,879,976)	(732,321)	(1,325,316)
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)	(1,193,128)	(470,939)	437,501
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(1,193,128)	(470,939)	437,501
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)	(517,945)	3,285,496	3,881,948
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year	24,157,667	20,275,719	20,275,719
19.2	End of period (Line 18 plus Line 19.1)	23,639,722	23,561,215	24,157,667

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	44,017	1,053	42,964							
2. First Quarter	46,057	1,432	44,471				154			
3. Second Quarter	46,989	2,116	44,707				166			
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	276,647	9,557	266,144				946			
Total Member Ambulatory Encounters for Period:										
7. Physician	193,314	4,178	188,486				650			
8. Non-Physician	32,159	452	31,649				58			
9. Total	225,473	4,630	220,135				708			
10. Hospital Patient Days Incurred	5,055	18	5,034				3			
11. Number of Inpatient Admissions	1,285	8	1,260				17			
12. Health Premiums Written (a)	71,956,961	1,139,256	70,515,889				301,816			
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	71,956,961	1,139,256	70,515,889				301,816			
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	59,418,441	592,138	58,596,045				230,258			
18. Amount Incurred for Provision of Health Care Services	61,998,939	778,660	60,978,128				242,151			

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

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered	657,950	240,612	72,352	38,534	56,386	1,065,834
0399999 Aggregate Accounts Not Individually Listed - Covered	6,818,752	2,493,614	749,825	399,358	584,269	11,045,818
0499999 Subtotals	7,476,702	2,734,226	822,177	437,892	640,655	12,111,652
0599999 Unreported claims and other claim reserves						2,405,445
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						14,517,097
0899999 Accrued Medical Incentive Pool And Bonus Amounts						

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	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	9,911,721	49,276,462	316,828	14,188,376	10,228,549	11,661,644
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan		230,258		11,893		
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	9,911,721	49,506,720	316,828	14,200,269	10,228,549	11,661,644
10. Healthcare receivables (a)	883,109	83,557	529,834	727,095	1,412,943	853,688
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	9,028,612	49,423,163	(213,006)	13,473,174	8,815,606	10,807,956

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

Notes to Financial Statement

QCA HEALTH PLAN, INC.

(1) Summary of Significant Accounting Practices

There were no significant changes in this period to Accounting Practices

The following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements. Such policies are in conformity with the Annual Statement Instructions and the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners ("NAIC") and the accounting practices as prescribed or permitted by the Arkansas Insurance Department and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents: The Company considers all cash accounts and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Certificates of Deposit with a maturity of one year or less are also considered to be cash equivalents.

Premiums Receivable: Premiums receivable represent medical premium revenue that has been billed and recognized as revenue, but has not been collected.

Investment Securities: Bonds and other debt instruments are classified as held to maturity and are stated at cost adjusted for amortization of premiums and accretion of discounts computed by the interest method. Certificates of deposit, money market trust accounts, and other interest bearing accounts are stated at cost.

Medical Claims Payable: Reported claims expected to be paid after the balance sheet date for services provided to members prior to the balance sheet date are recorded as liabilities. Claims for services provided to members during the financial reporting period which are unreported at the balance sheet date are estimated based on the Company's claims experience and recorded as liabilities. The amounts recorded are based upon estimates of the ultimate net cost of such services provided. These reserves are subject to continuous review by management and changes in estimates are reflected in earnings currently.

Income Taxes: Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to the differences between the treatment of surplus notes payable for financial and income tax reporting and net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Revenue: Medical premium revenue is recognized in the month in which members are entitled to receive health care services. Medical premiums collected in advance are recorded as unearned premium revenue.

Cost of Benefits Provided: Cost of benefits provided includes the costs of all medical services delivered to enrolled members of the Company and for whom the Company has recorded medical premium revenue during the reporting period. These costs include payments for specific medical services paid to physicians, hospitals, and other health care providers on a fee-for-service basis. Costs of benefits include claims paid, claims in process and pending, estimates of unreported claims and charges, and processing costs of those estimates at the end of the fiscal year for which the Company will be responsible. There are a limited number of provider contracts within the network that contain a risk sharing arrangement. The withhold from this arrangement is recorded as an expense and paid out in its entirety at the end of each month.

Premium Tax: The state in which the Company does business requires the remittance of premium taxes based upon a percentage of billed premiums.

Advertising Costs: Advertising and promotions related expenses are charged to operations when incurred.

Non-Admitted Assets: Certain assets (principally pharmaceutical rebate receivables and deferred tax assets not expected to be realized within a 12 month period) designated as "non-admitted" are not included in the financial statements.

Accounting Estimates: The preparation of financial statements in conformity with the accounting practices described above requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Notes to Financial Statement

(2) Accounting Changes and Corrections of Errors

None.

(3) Business Combinations and Goodwill

None.

(4) Discontinued Operations

None.

(5) Investments

In January 2010 the Company purchased 1,500 shares of \$1,000 par value, 5% preferred stock from QualChoice Life and Health Insurance Company, Inc. (QCLHC). QCLHC is related to QCA through common ownership by QualChoice of Arkansas, Inc. This purchase was approved the Arkansas Insurance Department. No were no other significant changes.

(6) Joint Ventures, Partnerships and Limited Liability Companies

No significant change

(7) Investment Income

No significant change.

(8) Derivative Instruments

None.

(9) Income Taxes

No significant change

(10) Information Concerning Parent, Subsidiaries and Affiliates and Other Parties

During November 1999, the Company entered into a service agreement with an affiliate of a stockholder whereby the affiliate would provide a full range of administrative, managerial and technological services as well as the continued license rights that the Company had previously obtained from the stockholder. An amendment to this agreement was entered into effective November 30, 2001, whereby the term of the agreement will continue until December 31, 2007, and will be renewed automatically for additional renewal terms of 1 year thereafter. The affiliate may also terminate the agreement in the event that the Company is not compliant with the risk based capital requirements contained within the amendment. Effective December 30, 2006, a second amendment to this agreement was entered into in which the parties acknowledged the agreement would terminate on December 31, 2007. This amendment also provided for the orderly transition of all services back to the Company. This contract expired at the end of 2007. The Company did not pay this affiliate any fees in 2008, 2009 or 2010.

The Company entered into an agreement with QualChoice in November 2001, whereby the Company assumed the groups QualChoice managed under a third party administrator agreement on January 1, 2002, on behalf of employers which sponsor health benefit plans for employees. The Company assumed the obligations to perform such duties under the existing contracts with QualChoice, and in exchange for receiving these groups, the Company is to pay QualChoice \$650,000 in annual network rental fees for the years ending December 31, 2002 through 2009. The fees can be renegotiated annually. The fee was renegotiated for 2008, 2009 and 2010.

Notes to Financial Statement

See information in note #5 concerning the purchase of preferred stock in company with some common ownership. Also, the Trizetto Group, Inc. (Trizetto), who previously held 1.68% of the outstanding shares of the Company's common stock, also held common stock purchase warrants which entitled the holder to purchase 9,009 shares of the common stock for \$.10 per share. During 2009, Trizetto exercised its stock warrants. Trizetto was issued 9,009 shares of common stock in the second quarter of 2010. Trizetto's ownership of common increased to 43.99%.

(11) **Debt**

No significant change

(12) **Retirement Plans, Deferred Compensation, Postemployment Benefit and Compensated Absences and Other Postretirement Benefit Plans**

No significant change

(13) **Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

No significant change

(14) **Contingent Liabilities**

No significant change

(15) **Leases**

None.

(16) **Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

None.

(17) **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

None.

(18) **Gain or Loss To The Reporting Entity From Uninsured A&H Plans and The Uninsured Portion of Partially Insured Plans**

No significant change

(19) **Direct Premium Written/Produced By Managing General Agents/Third Party Administrators**

None.

(20) **Other Items**

None.

(21) **Events Subsequent**

None.

Notes to Financial Statement

(22) Reinsurance

No significant change

(23) Retrospectively Rated Contracts & Contracts Subject To Redetermination

None.

(24) Change In Incurred Claims and Claim Adjustment Expenses

None.

(25) Intercompany Pooling Arrangements

None.

(26) Structured Settlements

None.

(27) Health Care Receivables

No significant changes

(28) Participating Policies

None.

(29) Premium Deficiency Reserves

None.

(30) Anticipated Salvage and Subrogation

None.

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[X] No[]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[X] No[] N/A[]

- 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[X] No[]
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[X] No[] N/A[]
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/29/2009
- 6.4 By what department or departments?
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[] No[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 7.2 If yes, give full information

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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
.....	Yes[] No[X]				

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[] No[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: \$ 186,136

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: \$ 0
- 13. Amount of real estate and mortgages held in short-term investments: \$ 0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[X] No[]
- 14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds		
14.22 Preferred Stock		1,500,000
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages Loans on Real Estate		
14.26 All Other	5,604	5,611
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	5,604	1,505,611
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[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes[] No[] N/A[X]

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[X]

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
Arvest Asset Management	200 Commererce Dr. Ste. 100, Litte Rock, AR
Stephens Bank Trust	111 Center Street, Little Rock, AR

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[X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

Yes[X] No[]

17.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

- | | | |
|--|---------|--------------|
| 1. Operating Percentages: | | |
| 1.1 A&H loss percent | | 0% |
| 1.2 A&H cost containment percent | | 0% |
| 1.3 A&H expense percent excluding cost containment expenses | | 0% |
| 2.1 Do you act as a custodian for health savings accounts? | | Yes[] No[X] |
| 2.2 If yes, please provide the amount of custodial funds held as of the reporting date. | \$..... | 0 |
| 2.3 Do you act as an administrator for health savings accounts? | | Yes[] No[X] |
| 2.4 If yes, please provide the balance of the funds administered as of the reporting date. | \$..... | 0 |

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

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

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**Current Year to Date - Allocated by States and Territories**

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	L	71,655,145			301,816		71,956,961		
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	71,655,145			301,816		71,956,961		
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. Total (Direct Business)	(a) 1	71,655,145			301,816		71,956,961		
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

(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.

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

PARENTS:

QualChoice of Arkansas, Inc.
FEIN: 71-0752544
Third Party Administrator of
Managed Care Health

46.34%

The Trizetto Group, Inc.
FEIN: 33-0761159
Managed Care Services
and Consulting Firm

43.99%

University of Arkansas
for Medical Sciences
FEIN: 71-6046242
8.6%

Arkansas Children's Hospital
FEIN: 71-0236857

1.07%

HMO:

QCA Health Plan, Inc.
FEIN: 71-0794605
Health Maintenance Organization

Q15

SUBSIDIARY:

QCA Insurance Agency, LLC
FEIN: 36-4571617
owned 100% by QCA Health Plan, Inc.

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

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



95448201036500002

2010

Document Code: 365

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE**SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points		
9. Total foreign exchange change in book value/recorded investment		
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	5,604	5,580
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)	7	24
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)	5,611	5,604
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	5,611	5,604

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	13,661,046	12,390,478
2. Cost of bonds and stocks acquired	6,179,969	7,700,292
3. Accrual of discount	3,480	12,360
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		3,156
6. Deduct consideration for bonds and stocks disposed of	3,300,000	6,375,000
7. Deduct amortization of premium	21,255	70,240
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)	16,523,240	13,661,046
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	16,523,240	13,661,046

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)	11,502,493	3,680,237	150,000	(9,490)	11,502,493	15,023,240		13,661,046
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	11,502,493	3,680,237	150,000	(9,490)	11,502,493	15,023,240		13,661,046
PREFERRED STOCK								
8. Class 1	1,500,000				1,500,000	1,500,000		
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	1,500,000				1,500,000	1,500,000		
15. Total Bonds & Preferred Stock	13,002,493	3,680,237	150,000	(9,490)	13,002,493	16,523,240		13,661,046

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

QS102

SI03 Schedule DA Part 1 NONE

SI03 Schedule DA Verification NONE

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SI08 Schedule E - Verification (Cash Equivalents) NONE

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
3133XVRS2	FHLMC		04/16/2010	ARVEST TRUST	X X X	1,017,610	1,000,000.00	1,476	1
912828LM0	US TREASURY NOTE		04/16/2010	ARVEST TRUST	X X X	1,001,953	1,000,000.00	1,196	1
912828MX5	US TREASURY NOTE		04/16/2010	ARVEST TRUST	X X X	1,003,438	1,000,000.00	48	1
31398AZV7	FEDERAL NATL. MORG. ASSOCIATION		04/28/2010	STEPHENS INC	X X X	160,725	160,000.00	1,843	1
31398AXJ6	FEDERAL NATL. MORG. ASSOCIATION		04/28/2010	STEPHENS INC	X X X	161,483	160,000.00	1,811	1
912828KT6	US TREASURY NOTE		06/03/2010	STEPHENS INC	X X X	173,626	175,000.00	727	1
31398AVQ2	FEDERAL NATL. MORG. ASSOCIATION		06/03/2010	STEPHENS INC	X X X	161,402	160,000.00	544	1
0399999 Subtotal - Bonds - U.S. Governments					X X X	3,680,237	3,655,000.00	7,645	X X X
Bonds - All Other Governments									
					X X X				
1099999 Subtotal - Bonds - All Other Governments					X X X				X X X
8399997 Subtotal - Bonds - Part 3					X X X	3,680,237	3,655,000.00	7,645	X X X
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	3,680,237	3,655,000.00	7,645	X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X		X X X		X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	3,680,237	X X X	7,645	X X X

QE04

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	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 Designation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ 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.								
Bonds - U.S. Governments																						
31398AMV1	FEDERAL NATL. MORG. ASSOC.		04/09/2010	STEPHENS INC.	XXX	50,000	50,000.00	50,829	50,219						50,000				619	04/09/2010	1	
31398AMV1	FEDERAL NATL. MORG. ASSOC.		04/09/2010	STEPHENS INC.	XXX	100,000	100,000.00	101,656	100,437		(219)		(219)		100,000				1,256	04/09/2010	1	
0399999 Subtotal - Bonds - U.S. Governments					XXX	150,000	150,000.00	152,485	150,656		(656)		(656)		150,000				1,875	XXX	XXX	
8399997 Subtotal - Bonds - Part 4					XXX	150,000	150,000.00	152,485	150,656		(656)		(656)		150,000				1,875	XXX	XXX	
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999 Subtotal - Bonds					XXX	150,000	150,000.00	152,485	150,656		(656)		(656)		150,000				1,875	XXX	XXX	
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9899999 Subtotal - Preferred and Common Stocks					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9999999 Total - Bonds, Preferred and Common Stocks					XXX	150,000	XXX	152,485	150,656		(656)		(656)		150,000				1,875	XXX	XXX	

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

E06 **Schedule DB Part A Section 1** **NONE**

E07 **Schedule DB Part B Section 1** **NONE**

E08 **Schedule DB Part D** **NONE**

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							



MEDICARE PART D COVERAGE SUPPLEMENT
Net of Reinsurance
For the Quarter Ended June 30, 2010

NAIC Group Code:

NAIC Company Code: 95448

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected		XXX		XXX	
2. Earned Premiums		XXX		XXX	XXX
3. Claims Paid		XXX		XXX	
4. Claims Incurred		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	NONE		XXX		
6. Aggregate Policy Reserves - change				XXX	XXX
7. Expenses Paid				XXX	
8. Expenses Incurred		XXX		XXX	XXX
9. Underwriting Gain or Loss		XXX		XXX	XXX
10. Cash Flow Results	XXX	XXX	XXX	XXX	

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

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