



**QUARTERLY STATEMENT**  
**AS OF March 31, 2008**  
**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 10825 Financial Centre Parkway, Suite 400 , Little Rock, AR 72211  
(Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office 10825 Financial Centre Parkway, Suite 400  
(Street and Number)

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

Mail Address 10825 Financial Centre Parkway, Suite 400 , Little Rock, AR 72211  
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records 10825 Financial Centre Parkway  
(Street and Number)

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

Internet Website Address www.qcark.com

Statutory Statement Contact Randall Crow (501)219-5109  
(Name) (Area Code)(Telephone Number)(Extension)

randall.crow@qcark.com (501)228-0135  
(E-Mail Address) (Fax Number)

**OFFICERS**

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

**OTHERS**

Miles Haley Wilson, Vice President - COO/CIO	Randall Alvin Crow, Chief Financial Officer
James W. Couch J.D., Chief Compliance Officer #	Roger Keeney Howe M.D., MMM, Vice President - Medical Affairs
Joni Self Daniels, Vice President - Operations	Jon Neil Foose, Vice President - Underwriting #
Betty Jo Tatum-Himes, Vice President - Sales & Marketing	

**DIRECTORS OR TRUSTEES**

Richard Allen Pierson	Patricia Ellen Gorman
Buford Joseph Suffridge DDS, MS,PA	Joseph Patrick Searcy
A. David Hall 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 \_\_\_\_\_, 2008

- 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.

Harold Jackson Lassiter Jr.

**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 .....	12,419,779		12,419,779	13,445,246
2. Stocks:				
2.1 Preferred stocks .....				
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 (\$.....18,757,209), cash equivalents (\$.....0) and short-term investments (\$.....0) .....	18,757,209		18,757,209	14,695,031
6. Contract loans (including \$.....0 premium notes) .....				
7. Other invested assets .....	5,522		5,522	5,484
8. Receivables for securities .....				
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	31,182,510		31,182,510	28,145,761
11. Title plants less \$.....0 charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	179,322		179,322	183,735
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	102,517		102,517	292,035
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
13.3 Accrued retrospective premiums .....				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	455,934		455,934	400,665
14.2 Funds held by or deposited with reinsured companies .....				
14.3 Other amounts receivable under reinsurance contracts .....				
15. Amounts receivable relating to uninsured plans .....	(17,188)		(17,188)	
16.1 Current federal and foreign income tax recoverable and interest thereon .....				
16.2 Net deferred tax asset .....	814,000		814,000	814,000
17. Guaranty funds receivable or on deposit .....				
18. Electronic data processing equipment and software .....				
19. Furniture and equipment, including health care delivery assets (\$.....0) .....				
20. Net adjustments in assets and liabilities due to foreign exchange rates .....				
21. Receivables from parent, subsidiaries and affiliates .....	122,667		122,667	511,066
22. Health care (\$.....0) and other amounts receivable .....	245,543	245,543		
23. Aggregate write-ins for other than invested assets .....	162,477		162,477	162,477
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	33,247,782	245,543	33,002,239	30,509,739
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26. Total (Lines 24 and 25) .....	33,247,782	245,543	33,002,239	30,509,739
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				
2301. Prepaid Admin Contract .....				
2302. State of Arkansas, CHIP deduction .....	162,477		162,477	162,477
2303. rounding .....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	162,477		162,477	162,477

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	9,206,351	1,011,575	10,217,926	6,803,838
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	58,045		58,045	58,045
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 .....	1,696,206		1,696,206	2,340,601
9. General expenses due or accrued .....	1,127,716		1,127,716	1,357,144
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....	11,080		11,080	20,164
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 .....	150,001		150,001	751,551
16. Payable for securities .....				
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
18. Reinsurance in unauthorized companies .....				
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Liability for amounts held under uninsured plans .....	1,585,955		1,585,955	1,709,062
21. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
22. Total liabilities (Lines 1 to 21) .....	13,835,354	1,011,575	14,846,929	13,040,405
23. Aggregate write-ins for special surplus funds .....	X X X	X X X		
24. Common capital stock .....	X X X	X X X	1,553	1,553
25. Preferred capital stock .....	X X X	X X X	25,500,046	25,500,046
26. Gross paid in and contributed surplus .....	X X X	X X X		
27. Surplus notes .....	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
29. Unassigned funds (surplus) .....	X X X	X X X	(7,345,929)	(8,031,905)
30. Less treasury stock, at cost:				
30.1 .....0 shares common (value included in Line 24 \$.....0) .....	X X X	X X X	360	360
30.2 .....0 shares preferred (value included in Line 25 \$.....0) .....	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30) .....	X X X	X X X	18,155,310	17,469,334
32. Total Liabilities, capital and surplus (Lines 22 and 31) .....	X X X	X X X	33,002,239	30,509,739
<b>DETAILS OF WRITE-INS</b>				
2101. rounding .....				
2102. ....				
2103. ....				
2198. Summary of remaining write-ins for Line 21 from overflow page .....				
2199. TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above) .....				
2301. ....	X X X	X X X		
2302. ....	X X X	X X X		
2303. ....	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	X X X	X X X		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	X X X	X X X		
2801. ....	X X X	X X X		
2802. ....	X X X	X X X		
2803. ....	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page .....	X X X	X X X		
2899. TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 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	90,670	58,181	230,223
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	22,991,554	14,851,295	58,273,196
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	22,991,554	14,851,295	58,273,196
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....	1,468,230	14,830,607	10,106,711	37,040,189
10. Other professional services .....				
11. Outside referrals .....				
12. Emergency room and out-of-area .....	102,381	1,034,156	566,881	2,582,853
13. Prescription drugs .....		3,685,437	2,365,270	8,876,413
14. Aggregate write-ins for other hospital and medical .....				
15. Incentive pool, withhold adjustments and bonus amounts .....				
16. Subtotal (Lines 9 to 15) .....	1,570,611	19,550,200	13,038,862	48,499,455
<b>Less:</b>				
17. Net reinsurance recoveries .....		263,796	199,272	946,749
18. Total hospital and medical (Lines 16 minus 17) .....	1,570,611	19,286,404	12,839,590	47,552,706
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....898,720 cost containment expenses .....		1,283,886	693,452	3,623,679
21. General administrative expenses .....		2,139,809	1,427,199	6,027,305
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) .....	1,570,611	22,710,099	14,960,241	57,203,690
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	281,455	(108,946)	1,069,506
25. Net investment income earned .....		316,128	299,292	1,244,262
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....				
27. Net investment gains or (losses) (Lines 25 plus 26) .....		316,128	299,292	1,244,262
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 .....				(3)
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	597,583	190,346	2,313,765
31. Federal and foreign income taxes incurred .....	X X X	20,915	6,662	34,212
32. Net income (loss) (Lines 30 minus 31) .....	X X X	576,668	183,684	2,279,553
<b>DETAILS OF WRITE-INS</b>				
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. Loss on issuance of Series D preferred Stock .....				
2902. rounding .....				(3)
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....				(3)

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	17,469,334	14,941,027	14,941,027
34. Net income or (loss) from Line 32 .....	576,668	183,684	2,279,553
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 .....			252,000
39. Change in nonadmitted assets .....	109,309	90,833	(3,247)
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 .....	(1)	(3)	1
48. Net change in capital and surplus (Lines 34 to 47) .....	685,976	274,514	2,528,307
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	18,155,310	15,215,541	17,469,334
<b>DETAILS OF WRITE-INS</b>			
4701. Rounding .....	(1)	(3)	1
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) .....	(1)	(3)	1

**CASH FLOW**

		1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	22,536,677	59,632,064
2.	Net investment income .....	313,130	1,182,641
3.	Miscellaneous income .....	79,559	26,503
4.	Total (Lines 1 to 3) .....	22,929,366	60,841,208
5.	Benefit and loss related payments .....	15,927,585	47,738,007
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	3,759,042	8,318,137
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	29,999	12,155
10.	Total (Lines 5 through 9) .....	19,716,626	56,068,299
11.	Net cash from operations (Line 4 minus Line 10) .....	3,212,740	4,772,909
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	4,425,000	8,500,000
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) .....	4,425,000	8,500,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	3,390,169	8,238,961
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....	1,991	223
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	3,392,160	8,239,184
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) .....	1,032,840	260,816
<b>Cash from Financing and Miscellaneous Sources</b>			
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) .....	(183,402)	(9,497)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	(183,402)	(9,497)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	4,062,178	5,024,228
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	14,695,031	9,670,803
19.2	End of period (Line 18 plus Line 19.1) .....	18,757,209	14,695,031

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

Description		Amount 1	Amount 2
20.0001	.....		

## 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 .....	20,207		20,207							
2. First Quarter .....	30,306		30,306							
3. Second Quarter .....										
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	90,670		90,670							
Total Member Ambulatory Encounters for Period:										
7. Physician .....	59,497		59,497							
8. Non-Physician .....	9,679		9,679							
9. Total .....	69,176		69,176							
10. Hospital Patient Days Incurred .....	1,387		1,387							
11. Number of Inpatient Admissions .....	428		428							
12. Health Premiums Written (a) .....	23,495,488		23,495,488							
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	23,495,488		23,495,488							
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	15,872,316		15,872,316							
18. Amount Incurred for Provision of Health Care Services .....	19,550,200		19,550,200							

(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 ....	454,091	160,572	90,040	28,447	51,863	785,013
0399999 Aggregate Accounts Not Individually Listed - Covered .....	4,132,686	1,461,370	819,455	258,892	472,003	7,144,406
0499999 Subtotals .....	4,586,777	1,621,942	909,495	287,339	523,866	7,929,419
0599999 Unreported claims and other claim reserves .....						2,288,507
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						10,217,926
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						

## UNDERWRITING AND INVESTMENT EXHIBIT

### ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	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) .....	3,944,213	11,903,813	811,205	9,406,721	4,755,418	6,803,838
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....						
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	3,944,213	11,903,813	811,205	9,406,721	4,755,418	6,803,838
10. Healthcare receivables (a) .....		(24,290)				
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....						
13. Totals .....	3,944,213	11,928,103	811,205	9,406,721	4,755,418	6,803,838

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

## Notes to Financial Statement

### QCA HEALTH PLAN, INC.

(1) **Summary of Significant Accounting Policies**

No significant change.

(2) **Accounting Changes and Corrections of Errors**

None.

(3) **Business Combinations and Goodwill**

None.

(4) **Discontinued Operations**

None.

(5) **Investments**

No significant change

(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**

The Company had a Management Services Agreement since November 1999 with the TriZeto Group, Inc. to provide managed care information application software, as well as to be financially responsible for most administrative expenses. That contract expired at the end of 2007. Beginning in 2007 the Company has a Management Services Agreement with QualChoice of Arkansas, Inc. whereby that company will responsible for most administrative expenses. The Company executed a new seven year Master Services Agreement (MSA) with the Trizetto Group, Inc. for application hosting services related to TriZetto's FACETS managed care information application, and its suite of web-based applications for customer online service delivery and Consumer Directed Health Plans. The MSA provided for hosting services for the aforementioned software products to begin January 1, 2008. At the end of this agreement QCA will own perpetual licensing rights to all of the hosted software products. QCA initially completed a successful conversion of core administration computer systems to the FACETS platform in 2002. This new services agreement will ensure a reliable and stable technology solution for the foreseeable future.

(11) **Surplus Notes**

## Notes to Financial Statement

No significant change

(12) **Retirement Plans, Deferred Compensation 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.

(22) **Reinsurance**

No significant change

(23) **Retrospectively Rated Contracts & Contracts Subject To Redetermination**

None.

(24) **Change In Incurred Claims and Claim Adjustment Expenses**

None.

## **Notes to Financial Statement**

**(26) Intercompany Pooling Arrangements**

None.

**(27) Structured Settlements**

None.

**(28) Health Care Receivables**

No significant changes

**(29) Participating Policies**

None.

**(30) Premium Deficiency Reserves**

None.

**(31) Anticipated Salvage and Subrogation**

None.

# GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

## 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[ ] N/A[X]
  
- 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? If yes, attach an explanation. Yes[X] No[ ] N/A[ ]
  
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....12/31/2005.....
- 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. .....12/31/2005.....
- 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). .....12/11/2006.....
- 6.4 By what department or departments?
- 6.5 Have any 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: \$.....9,132

### 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 .....		
14.23 Common Stock .....		
14.24 Short-Term Investments .....		
14.25 Mortgages Loans on Real Estate .....		
14.26 All Other .....	5,484	5,522
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	5,484	5,522
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? Yes[ ] No[ ] N/A[X]  
 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, G - 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 Commerce Dr. Ste 100, Little Rock, AR .....
Simmons First National Bank .....	8315 Cantrell Road, Suite 200, 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
0 .....	Dennis Whitaker .....	200 Commerce Dr. Ste. 100 Little Rock, AR .....
	Mark Ganer .....	8315 Cantrell Road, Suite 200 Little Rock, AR .....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[ ] No[X]  
 17.2 If no, list exceptions:

**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)
			<b>NONE</b>			

# 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) .....	N	23,495,488						23,495,488	
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) .....	X X X								
59. Subtotal .....	X X X	23,495,488						23,495,488	
60. Reporting entity contributions for Employee Benefit Plans .....	X X X								
61. Total (Direct Business) .....	(a)	23,495,488						23,495,488	
<b>DETAILS OF WRITE-INS</b>									
5801. ....	X X X								
5802. ....	X X X								
5803. ....	X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page .....	X X X								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	X X X								

(a) Insert the number of yes 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

Zenith National Insurance Corp.  
FEIN: 95-1651549  
Property and Casualty Insurer with  
Speciality in Worker's Compensation

Novalis Corporation  
FEIN: 14-1785722  
Managed Care Services  
and Consulting Firm

51.15%

30.19%

1.68%

University of Arkansas  
for Medical Sciences  
FEIN: 71-6046242

Arkansas Children's Hospital  
FEIN: 71-0236857

15.09%

1.89%

**Q14**

HMO:

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

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



95448200836500001

2008

Document Code: 365

**NONE**

**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 acquisitions .....		
2.2 Additional investment made after acquisitions .....		
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 amount .....		
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 acquisitions .....		
2.2 Additional investment made after acquisitions .....		
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 paid .....		
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. Deduct total nonadmitted accounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....		

**NONE****SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

Description	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	5,484	5,261
2. Cost of acquired: .....		
2.1 Actual cost at time of acquisitions .....		
2.2 Additional investment made after acquisitions .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....	38	223
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) .....	5,522	5,484
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....	5,522	5,484

**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 .....	13,445,246	13,674,061
2. Cost of bonds and stocks acquired .....	3,390,169	8,238,961
3. Accrual of discount .....	7,885	32,224
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....	1,991	
6. Deduct consideration for bonds and stocks disposed of .....	4,425,000	8,500,000
7. Deduct amortization of premium .....	512	
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) .....	12,419,779	13,445,246
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	12,419,779	13,445,246

## 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
<b>BONDS</b>								
1. Class 1 (a) .....	13,445,245	3,375,000	4,425,000	24,533	12,419,778			13,445,245
2. Class 2 (a) .....								
3. Class 3 (a) .....								
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....								
7. Total Bonds .....	13,445,245	3,375,000	4,425,000	24,533	12,419,778			13,445,245
<b>PREFERRED STOCK</b>								
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 .....	13,445,245	3,375,000	4,425,000	24,533	12,419,778			13,445,245

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

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<b>SI03</b>	<b>Schedule DA Part 1 .....</b>	<b>NONE</b>
<b>SI03</b>	<b>Schedule DA Verification .....</b>	<b>NONE</b>
<b>SI04</b>	<b>Schedule DB Part F Section 1 .....</b>	<b>NONE</b>
<b>SI05</b>	<b>Schedule DB Part F Section 2 .....</b>	<b>NONE</b>
<b>SI06</b>	<b>Schedule E - Verification (Cash Equivalentents) .....</b>	<b>NONE</b>
<b>E01</b>	<b>Schedule A Part 2 .....</b>	<b>NONE</b>
<b>E01</b>	<b>Schedule A Part 3 .....</b>	<b>NONE</b>
<b>E02</b>	<b>Schedule B Part 2 .....</b>	<b>NONE</b>
<b>E02</b>	<b>Schedule B Part 3 .....</b>	<b>NONE</b>
<b>E03</b>	<b>Schedule BA Part 2 .....</b>	<b>NONE</b>
<b>E03</b>	<b>Schedule BA Part 3 .....</b>	<b>NONE</b>

## 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)
<b>Bonds - U.S. Governments</b>									
31331YLG3 .....	FEDERAL FARM CREDIT BANK .....		01/02/2008 .....	SIMMONS TRUST .....	X X X .....	750,000 .....	750,000.00 .....		1 .....
31331YTH3 .....	FEDERAL FARM CREDIT BANK .....		02/14/2008 .....	SIMMONS TRUST .....	X X X .....	500,000 .....	500,000.00 .....		1 .....
3128X6W44 .....	FEDERAL HOME LOAN MORTGAGE .....		02/13/2008 .....	ARVEST TRUST .....	X X X .....	1,000,000 .....	1,000,000.00 .....		1 .....
31331YYB0 .....	FEDERAL FARM CREDIT BANK .....		03/18/2008 .....	SIMMONS TRUST .....	X X X .....	500,000 .....	500,000.00 .....		1 .....
31331SQ89 .....	FEDERAL FARM CREDIT BANK .....		03/14/2008 .....	ARVEST TRUST .....	X X X .....	640,169 .....	625,000.00 .....	4,082 .....	1 .....
0399999 Subtotal - Bonds - U.S. Governments .....					X X X .....	3,390,169 .....	3,375,000.00 .....	4,082 .....	X X X .....
6099997 Subtotal - Bonds - Part 3 .....					X X X .....	3,390,169 .....	3,375,000.00 .....	4,082 .....	X X X .....
6099998 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 .....
6099999 Subtotal - Bonds .....					X X X .....	3,390,169 .....	3,375,000.00 .....	4,082 .....	X X X .....
6599998 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 .....
7299998 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 .....
7399999 Subtotal - Preferred and Common Stocks .....					X X X .....		X X X .....		X X X .....
7499999 Total - Bonds, Preferred and Common Stocks .....					X X X .....	3,390,169 .....	X X X .....	4,082 .....	X X X .....

(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 Stocks Sold, Redeemed, or Otherwise Disposed of by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n Date	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.								
<b>Bonds - U.S. Governments</b>																						
3133X8GJ5	FEDERAL HOME LOAN BANK		02/29/2008	ARVEST TRUST	X X X	625,000	625,000.00	623,462	624,761		239		239		625,000				14,453	02/29/2008	1	
3136F7FD4	FEDERAL AGENCY BONDS		02/12/2008	SIMMONS TRUST	X X X	500,000	500,000.00	499,500	499,543		457		457		499,561		439	439	12,500	08/10/2010	1	
3128X4F48	FEDERAL HOME LOAN MORTG		02/08/2008	ARVEST TRUST	X X X	800,000	800,000.00	796,960	799,824		176		176		800,000				20,000	02/08/2008	1	
3136F6TV1	FEDERAL NATL MORTG ASSOC		01/18/2008	ARVEST TRUST	X X X	1,000,000	1,000,000.00	966,830	999,933		64		64		1,000,000				19,000	01/18/2008	1	
3133XAHE0	FEDERAL HOME LOAN BANK		03/17/2008	SIMMONS TRUST	X X X	500,000	500,000.00	499,500	499,514		486		486		499,535		465	465	14,819	02/07/2012	1	
31359M6B4	FEDERAL NATL MORTG ASSOC		03/26/2008	ARVEST TRUST	X X X	1,000,000	1,000,000.00	998,490	998,798		1,202		1,202		998,913		1,087	1,087	26,000	03/26/2010	1	
0399999 Subtotal - Bonds - U.S. Governments					X X X	4,425,000	4,425,000.00	4,384,742	4,422,373		2,624		2,624		4,423,009		1,991	1,991	106,772	X X X	X X X	
6099997 Subtotal - Bonds - Part 4					X X X	4,425,000	4,425,000.00	4,384,742	4,422,373		2,624		2,624		4,423,009		1,991	1,991	106,772	X X X	X X X	
6099998 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	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
6099999 Subtotal - Bonds					X X X	4,425,000	4,425,000.00	4,384,742	4,422,373		2,624		2,624		4,423,009		1,991	1,991	106,772	X X X	X X X	
6599998 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	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
7299998 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	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	
7399999 Subtotal - Preferred and 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	
7499999 Total - Bonds, Preferred and Common Stocks					X X X	4,425,000	X X X	4,384,742	4,422,373		2,624		2,624		4,423,009		1,991	1,991	106,772	X X X	X X X	

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

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

**E06    Schedule DB Part B Section 1 ..... NONE**

**E07    Schedule DB Part C Section 1 ..... NONE**

**E07    Schedule DB Part D Section 1 ..... NONE**

**SCHEDULE E - PART 1 - CASH****Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
<b>open depositories</b>									
Arvest Bank Trust .....	P.O.Box 1583, Little Rock, AR .....		2.600	20,277	6,820	1,769,947	2,259,620	3,647,158	X X X
Arvest Bank .....	P.O. Boix 1583, Little Rock, AR 72203 .....		2.590	139,896		12,470,929	14,663,060	15,109,951	X X X
Petty Cash .....						100	100	100	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories		X X X	X X X						X X X
0199999 Totals - Open Depositories .....		X X X	X X X	160,173	6,820	14,240,976	16,922,780	18,757,209	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....		X X X	X X X						X X X
0299999 Totals - Suspended Depositories .....		X X X	X X X						X X X
0399999 Total Cash On Deposit .....		X X X	X X X	160,173	6,820	14,240,976	16,922,780	18,757,209	X X X
0499999 Cash in Company's Office .....		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash .....		X X X	X X X	160,173	6,820	14,240,976	16,922,780	18,757,209	X X X

**E09**    **Schedule E Part 2 Cash Equivalents** ..... **NONE**

**Supp1**    **Medicare Part D Coverage Supplement** ..... **NONE**

**ACT**    **Actuarial Statement** ..... **NONE**

**AEP**    **Amended Explanation** ..... **NONE**

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