



ANNUAL STATEMENT

For the Year Ended December 31, 2009
of the Condition and Affairs of the

HMO Partners, Inc

NAIC Group Code.....876, 876 (Current Period) (Prior Period) NAIC Company Code..... 95442 Employer's ID Number..... 71-0747497

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

Licensed as Business Type..... Is HMO Federally Qualified? Yes [X] No []

Incorporated/Organized..... November 8, 1993 Commenced Business..... January 1, 1994

Statutory Home Office 320 West Capitol..... Little Rock AR 72203-8069
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 320 West Capitol..... Little Rock AR 72203-8069 501-221-1800
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 320 West Capitol..... Little Rock AR 72203-8069
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 601 S. Gaines..... Little Rock AR 72201 501-378-2000
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address healthadvantage-hmo.com

Statutory Statement Contact Scott Bradley Winter 501-399-3951
(Name) (Area Code) (Telephone Number) (Extension)
sbwinter@arkbluecross.com 501-378-3258
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. David Frank Bridges	President	2. Gray Donald Dillard #	Vice President/CFO
3. Scott Bradley Winter	Assistant Treasurer	4. Kathleen O'Dea Ryan	Vice President

OTHER

James Sterling Adamson Jr. MD	Chairman	Robert Cecil Roberts	Vice Chairman
Russell Doyne Harrington Jr.	Secretary	Steven James Short	Treasurer
Clement Wade Fox MD	Assistant Secretary		

DIRECTORS OR TRUSTEES

James Sterling Adamson Jr. MD	Sharon Kay Allen	Richard Allen Calhoun Jr. MD	David Warren Cobb R.PH.
Richard Loyd Gore DDS	Russell Doyne Harrington Jr.	Nikita Jean Wilson RN	William Patton Phillips MD
Steven James Short	Robert Cecil Roberts	Michael David Voss	Paul Mark White
James Robert Bailey	David Frank Bridges	Michael Wayne Brown	James Bruce Hazlewood MD
Merlin Moody Hagan	Clement Wade Fox MD	Robert Lee Trammel	

State of...Arkansas
County of...Pulaski

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

_____ (Signature) David Frank Bridges	_____ (Signature) Gray Donald Dillard	_____ (Signature) Scott Bradley Winter
_____ 1. (Printed Name) President	_____ 2. (Printed Name) Vice President/CFO	_____ 3. (Printed Name) Assistant Treasurer
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me This _____ day of _____ 2010

a. Is this an original filing? Yes [X] No []

b. If no

1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	40,444,133		40,444,133	26,053,000
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	21,108,717		21,108,717	13,553,769
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....5,257,487, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....49,458,852, Sch. DA).....	54,716,338		54,716,338	64,739,758
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Other invested assets (Schedule BA).....			.0	
8. Receivables for securities.....			.0	
9. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	116,269,188	.0	116,269,188	104,346,527
11. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
12. Investment income due and accrued.....	525,373		525,373	542,857
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	1,976,495	157,001	1,819,494	1,125,708
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
13.3 Accrued retrospective premiums.....			.0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	224,984		224,984	14,597
14.2 Funds held by or deposited with reinsured companies.....			.0	
14.3 Other amounts receivable under reinsurance contracts.....			.0	
15. Amounts receivable relating to uninsured plans.....	6,681,896	389,345	6,292,551	6,389,637
16.1 Current federal and foreign income tax recoverable and interest thereon.....	513,160		513,160	452,952
16.2 Net deferred tax asset.....			.0	653,014
17. Guaranty funds receivable or on deposit.....			.0	
18. Electronic data processing equipment and software.....			.0	
19. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
21. Receivables from parent, subsidiaries and affiliates.....			.0	1,057,435
22. Health care (\$.....994,985) and other amounts receivable.....	2,046,645	959,952	1,086,693	1,424,604
23. Aggregate write-ins for other than invested assets.....	1,626,838	.0	1,626,838	.0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	129,864,579	1,506,298	128,358,281	116,007,331
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
26. TOTALS (Lines 24 and 25).....	129,864,579	1,506,298	128,358,281	116,007,331

DETAILS OF WRITE-INS

0901.....			.0	
0902.....			.0	
0903.....			.0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0	.0
2301. Supplemental Savings Plan.....	1,626,838		1,626,838	
2302.....			.0	
2303.....			.0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	1,626,838	.0	1,626,838	.0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....6,358,135 reinsurance ceded).....	21,569,980		21,569,980	21,177,672
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	874,301		874,301	843,725
4. Aggregate health policy reserves.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	2,364,305		2,364,305	2,883,959
9. General expenses due or accrued.....	108,334		108,334	126,281
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....			0	
10.2 Net deferred tax liability.....	1,067,496		1,067,496	
11. Ceded reinsurance premiums payable.....	114,092		114,092	125,750
12. Amounts withheld or retained for the account of others.....	4,666,850		4,666,850	2,816,668
13. Remittances and items not allocated.....	246,328		246,328	219,099
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	6,208,126		6,208,126	6,317,236
16. Payable for securities.....			0	314,890
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
18. Reinsurance in unauthorized companies.....			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Liability for amounts held under uninsured plans.....	6,600,536		6,600,536	6,228,155
21. Aggregate write-ins for other liabilities (including \$.....0 current).....	442,256	0	442,256	51,654
22. Total liabilities (Lines 1 to 21).....	44,262,604	0	44,262,604	41,105,089
23. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
24. Common capital stock.....	XXX	XXX	10,000	10,000
25. Preferred capital stock.....	XXX	XXX		
26. Gross paid in and contributed surplus.....	XXX	XXX	1,919,153	1,919,153
27. Surplus notes.....	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
29. Unassigned funds (surplus).....	XXX	XXX	82,166,524	72,973,089
30. Less treasury stock at cost:				
30.1 .....0.000 shares common (value included in Line 24 \$.....0).....	XXX	XXX		
30.2 .....0.000 shares preferred (value included in Line 25 \$.....0).....	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30).....	XXX	XXX	84,095,677	74,902,242
32. Total liabilities, capital and surplus (Lines 22 and 31).....	XXX	XXX	128,358,281	116,007,331

DETAILS OF WRITE-INS

2101. Unclaimed property.....	260,316		260,316	97,489
2102. Miscellaneous payables.....	181,940		181,940	(45,835)
2103.			0	
2198. Summary of remaining write-ins for Line 21 from overflow page.....	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above).....	442,256	0	442,256	51,654
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page.....	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	514,989	513,453
2. Net premium income (including \$.....0 non-health premium income).....	XXX	122,798,650	116,486,603
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	122,798,650	116,486,603
Hospital and Medical:			
9. Hospital/medical benefits.....		119,712,647	119,441,344
10. Other professional services.....			
11. Outside referrals.....		2,318,436	1,424,626
12. Emergency room and out-of-area.....		9,808,668	8,629,208
13. Prescription drugs.....		30,892,411	27,222,958
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	0	162,732,162	156,718,136
Less:			
17. Net reinsurance recoveries.....		61,823,759	60,883,690
18. Total hospital and medical (Lines 16 minus 17).....	0	100,908,403	95,834,446
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....2,080,919 cost containment expenses.....		3,666,090	3,368,731
21. General administrative expenses.....		11,567,134	10,716,637
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).....	0	116,141,627	109,919,814
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	6,657,023	6,566,789
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,801,120	2,863,699
26. Net realized capital gains or (losses) less capital gains tax of \$....(74,222).....		(137,842)	(153,012)
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	1,663,278	2,710,687
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.....	0	288,002	293,282
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	8,608,303	9,570,758
31. Federal and foreign income taxes incurred.....	XXX	3,214,014	4,121,714
32. Net income (loss) (Lines 30 minus 31).....	XXX	5,394,289	5,449,044

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0
2901. Licensing fee income.....		160,000	160,000
2902. Miscellaneous Income.....		128,002	133,282
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	288,002	293,282

Central Region member months shown above. Statewide member months are 803,024 which ties to the Exhibit of Premiums, Enrollment, & Utilization on page 29.

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	74,902,244	74,844,626
34. Net income or (loss) from Line 32.....	5,394,289	5,449,044
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....	4,283,809	(4,656,270)
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	380,001	871,870
39. Change in nonadmitted assets.....	(319,758)	(708,454)
40. Change in unauthorized reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		(63,898)
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.....	(544,904)	(834,674)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	9,193,437	57,618
49. Capital and surplus end of reporting period (Line 33 plus 48).....	84,095,681	74,902,244

DETAILS OF WRITE-INS

4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	121,416,551	118,068,008
2. Net investment income.....	2,074,773	3,081,579
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	123,491,324	121,149,587
5. Benefit and loss related payments.....	100,726,482	91,609,739
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	14,168,308	12,825,529
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$....74,222 tax on capital gains (losses).....	3,212,703	3,817,769
10. Total (Lines 5 through 9).....	118,107,493	108,253,037
11. Net cash from operations (Line 4 minus Line 10).....	5,383,831	12,896,550
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	15,768,600	11,140,000
12.2 Stocks.....	168,263	2,366,164
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.....		134,237
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	15,936,863	13,640,401
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	30,417,737	1,687,221
13.2 Stocks.....	1,594,752	5,716,784
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	314,890	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	32,327,379	7,404,005
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(16,390,516)	6,236,396
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.....	544,904	834,674
16.6 Other cash provided (applied).....	1,528,169	(513,301)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	983,265	(1,347,975)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(10,023,420)	17,784,971
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	64,739,758	46,954,787
19.2 End of year (Line 18 plus Line 19.1).....	54,716,338	64,739,758

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

20.0001		
---------------	--	--

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....	198,720,088		75,921,438	122,798,650
2. Medicare supplement.....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal employees health benefits plan.....				.0
6. Title XVIII - Medicare.....				.0
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8).....	198,720,088	.0	75,921,438	122,798,650
10. Life.....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11).....	198,720,088	.0	75,921,438	122,798,650

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	164,104,197	164,104,197								
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	63,389,899	63,389,899								
1.4 Net.....	100,714,298	100,714,298	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses.....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	27,928,114	27,928,114								
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	6,358,135	6,358,135								
3.4 Net.....	21,569,979	21,569,979	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0									
6. Net healthcare receivables (a).....	(12,185)	(12,185)								
7. Amounts recoverable from reinsurers December 31, current year.....	224,984	224,984								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	29,312,334	29,312,334								
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	8,134,662	8,134,662								
8.4 Net.....	21,177,672	21,177,672	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0									
11. Amounts recoverable from reinsurers December 31, prior year.....	14,597	14,597								
12. Incurred benefits:										
12.1 Direct.....	162,732,162	162,732,162	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	61,823,759	61,823,759	0	0	0	0	0	0	0	0
12.4 Net.....	100,908,403	100,908,403	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	3,699,474	3,699,474								
1.2 Reinsurance assumed.....	.0									
1.3 Reinsurance ceded.....	1,570,772	1,570,772								
1.4 Net.....	2,128,702	2,128,702	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but unreported:										
2.1 Direct.....	14,059,438	14,059,438								
2.2 Reinsurance assumed.....	.0									
2.3 Reinsurance ceded.....	4,787,363	4,787,363								
2.4 Net.....	9,272,075	9,272,075	.0	.0	.0	.0	.0	.0	.0	.0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	10,169,202	10,169,202								
3.2 Reinsurance assumed.....	.0									
3.3 Reinsurance ceded.....	.0									
3.4 Net.....	10,169,202	10,169,202	.0	.0	.0	.0	.0	.0	.0	.0
4. Totals:										
4.1 Direct.....	27,928,114	27,928,114	.0	.0	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded.....	6,358,135	6,358,135	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net.....	21,569,979	21,569,979	.0	.0	.0	.0	.0	.0	.0	.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	17,194,339	84,452,940	74,148	21,495,831	17,268,487	21,177,672
2. Medicare supplement.....					.0	
3. Dental only.....					.0	
4. Vision only.....					.0	
5. Federal employees health benefits plan.....					.0	
6. Title XVIII - Medicare.....					.0	
7. Title XIX - Medicaid.....					.0	
8. Other health.....					.0	
9. Health subtotal (Lines 1 to 8).....	17,194,339	84,452,940	74,148	21,495,831	17,268,487	21,177,672
10. Healthcare receivables (a).....		1,131,183			.0	
11. Other non-health.....					.0	
12. Medical incentive pools and bonus amounts.....					.0	
13. Totals (Lines 9 - 10 + 11 + 12).....	17,194,339	83,321,757	74,148	21,495,831	17,268,487	21,177,672

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior.....	15,622	(55)			
2. 2005.....	78,585	14,180	(28)		
3. 2006.....	.XXX	58,062	12,099	(9)	
4. 2007.....	.XXX	.XXX	68,158	14,674	234
5. 2008.....	.XXX	.XXX	.XXX	78,101	16,960
6. 2009.....	.XXX	.XXX	.XXX	.XXX	84,453

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior.....	94,059	93,984			
2. 2005.....	95,686	92,692	92,737		
3. 2006.....	.XXX	72,034	70,130	70,153	
4. 2007.....	.XXX	.XXX	85,405	83,581	83,066
5. 2008.....	.XXX	.XXX	.XXX	98,500	94,590
6. 2009.....	.XXX	.XXX	.XXX	.XXX	105,949

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2005.....	113,372	92,737	5,253	5.7	97,990	86.4			97,990	86.4
2. 2006.....	89,579	70,153	6,127	8.7	76,280	85.2			76,280	85.2
3. 2007.....	100,895	83,066	6,870	8.3	89,936	89.1			89,936	89.1
4. 2008.....	116,487	95,062	3,560	3.7	98,622	84.7	74	3	98,699	84.7
5. 2009.....	122,799	84,453	3,636	4.3	88,089	71.7	21,496	871	110,456	89.9

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior.....	15,622	(55)			
2. 2005.....	78,585	14,180	(28)		
3. 2006.....	XXX	58,062	12,099	(9)	
4. 2007.....	XXX	XXX	68,158	14,674	234
5. 2008.....	XXX	XXX	XXX	78,101	16,960
6. 2009.....	XXX	XXX	XXX	XXX	84,453

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior.....	94,059	93,984			
2. 2005.....	95,686	92,692	92,737		
3. 2006.....	XXX	72,034	70,130	70,153	
4. 2007.....	XXX	XXX	85,405	83,581	83,066
5. 2008.....	XXX	XXX	XXX	98,500	94,590
6. 2009.....	XXX	XXX	XXX	XXX	105,949

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2005.....	113,372	92,737	5,253	5.7	97,990	86.4			97,990	86.4
2. 2006.....	89,579	70,153	6,127	8.7	76,280	85.2			76,280	85.2
3. 2007.....	100,895	83,066	6,870	8.3	89,936	89.1			89,936	89.1
4. 2008.....	116,487	95,062	3,560	3.7	98,622	84.7	74	3	98,699	84.7
5. 2009.....	122,799	84,453	3,636	4.3	88,089	71.7	21,496	871	110,456	89.9

12.HM

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Dental
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Dental
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Dental
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicaid
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicaid
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicaid
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Other
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Other
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Other
NONE**

**U & I Ex.-Pt.2D
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....	74	398	208,406		208,878
2. Salaries, wages and other benefits.....	3,844,297	3,804,329	20,188,333		27,836,959
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			4,933,597		4,933,597
4. Legal fees and expenses.....	6,172		142,219		148,391
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	89,069	3,188	454,018		546,275
7. Traveling expenses.....	82,534	27,254	417,199		526,987
8. Marketing and advertising.....	8,485	16	253,095		261,596
9. Postage, express and telephone.....	111,756	669,076	831,702		1,612,534
10. Printing and office supplies.....	221,786	46,725	890,460		1,158,971
11. Occupancy, depreciation and amortization.....					0
12. Equipment.....	319,585	75,963	2,499,353		2,894,901
13. Cost or depreciation of EDP equipment and software.....		1,370	249,810		251,180
14. Outsourced services including EDP, claims, and other services.....	1,732,863	339,576	499,582		2,572,021
15. Boards, bureaus and association fees.....	10,178		298,830		309,008
16. Insurance, except on real estate.....	151,186	18,212	126,569		295,967
17. Collection and bank service charges.....		498	143,962		144,460
18. Group service and administration fees.....	573,597	131,918	879,023		1,584,538
19. Reimbursements by uninsured plans.....	(2,015,580)	(1,612,464)	(9,809,156)		(13,437,200)
20. Reimbursements from fiscal intermediaries.....		213,198			213,198
21. Real estate expenses.....	117,920	88,264	583,215		789,399
22. Real estate taxes.....	3,527	4,668	28,415		36,610
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....		179,074	20,069		199,143
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....	296	13	58,558		58,867
23.4 Payroll taxes.....	241,812	212,196	1,050,666		1,504,674
23.5 Other (excluding federal income and real estate taxes).....	3,165	5,865	1,038,685		1,047,715
24. Investment expenses not included elsewhere.....				109,658	109,658
25. Aggregate write-ins for expenses.....	(3,421,803)	(2,624,166)	(14,419,476)	0	(20,465,445)
26. Total expenses incurred (Lines 1 to 25).....	2,080,919	1,585,171	11,567,134	109,658	(a) 15,342,882
27. Less expenses unpaid December 31, current year.....		874,301	108,334		982,635
28. Add expenses unpaid December 31, prior year.....		843,725	126,281		970,006
29. Amounts receivable relating to uninsured plans, prior year.....			591,681		591,681
30. Amounts receivable relating to uninsured plans, current year.....			325,722		325,722
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	2,080,919	1,554,595	11,319,122	109,658	15,064,294

DETAILS OF WRITE-INS

2501. Administrative Service Agreement.....			1,837,639		1,837,639
2502. Unpaid Claims Processing.....		70,183			70,183
2503. Ceded Administrative Expenses.....	(3,421,803)	(2,694,349)	(16,257,115)		(22,373,267)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	(3,421,803)	(2,624,166)	(14,419,476)	0	(20,465,445)

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....662,500	.....447,411
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....1,076,522	.....925,433
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....384,294	.....363,909
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....253,240	.....174,025
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....2,376,556	.....1,910,778
11. Investment expenses.....	.....	(g).....109,658
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....109,658
17. Net investment income (Line 10 minus Line 16).....	.....	.....1,801,120

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....54,289 accrual of discount less \$.....310,458 amortization of premium and less \$.....192,208 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....	.....	.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(1,837)	.....	.....(1,837)	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....(11,032)	.....(199,195)	.....(210,227)	.....4,283,809	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....(12,869)	.....(199,195)	.....(212,064)	.....4,283,809	.....0

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page..	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Other invested assets (Schedule BA).....			.0
8. Receivables for securities.....			.0
9. Aggregate write-ins for invested assets.....	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	.0	.0	.0
11. Title plants (for Title insurers only).....			.0
12. Investment income due and accrued.....			.0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection.....	157,001		(157,001)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
13.3 Accrued retrospective premiums.....			.0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers.....			.0
14.2 Funds held by or deposited with reinsured companies.....			.0
14.3 Other amounts receivable under reinsurance contracts.....			.0
15. Amounts receivable relating to uninsured plans.....	389,345	293,561	(95,784)
16.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
16.2 Net deferred tax asset.....		206,162	206,162
17. Guaranty funds receivable or on deposit.....			.0
18. Electronic data processing equipment and software.....			.0
19. Furniture and equipment, including health care delivery assets.....			.0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
21. Receivables from parent, subsidiaries and affiliates.....			.0
22. Health care and other amounts receivable.....	959,952	686,817	(273,135)
23. Aggregate write-ins for other than invested assets.....	.0	.0	.0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,506,298	1,186,540	(319,758)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
26. TOTALS (Lines 24 and 25).....	1,506,298	1,186,540	(319,758)

DETAILS OF WRITE-INS

0901.....			.0
0902.....			.0
0903.....			.0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0
2301. A/R Other.....			.0
2302.....			.0
2303.....			.0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	.0	.0	.0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	19,267	17,542	17,445	16,292	16,017	203,270
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....	47,048	49,690	49,641	50,185	50,707	599,754
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	66,315	67,232	67,086	66,477	66,724	803,024

DETAILS OF WRITE-INS

0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies**A. Accounting Practices**

The financial statements of the company are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department.

The Arkansas Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Arkansas Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Arkansas.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred.

In addition, the company uses the following accounting policies:

Short-term investments are stated at amortized cost.

Bonds not backed by other loans are stated at amortized cost using the interest method.

Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.

Preferred stocks are stated at cost.

Expenditures for assets are capitalized at \$500, and all other costs are expensed.

Pharmacy rebate receivable estimates are based upon a history of rebates billed vs. paid pharmacy claims.

2. Accounting Changes and Corrections of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Arkansas. Effective January 1, 2001, the State of Arkansas adopted that insurance companies domiciled in the State of Arkansas prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual – Version effective January 1, 2001 subject to any deviations prescribed or permitted by the State of Arkansas insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures* manual – Version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle.

3. Business Combinations and Goodwill

The Company had no business combinations or goodwill as of December 31, 2009.

4. Discontinued Operations

The Company had no discontinued operations as of December 31, 2009.

5. Investments

A. The Company has no mortgage loans at this time.

B. The Company has no debt restructuring at this time.

C. The Company has no reverse mortgages at this time.

D. The Company has no loan-backed securities at this time.

E. The Company has no repurchase agreements or securities lending transactions at this time.

F. The Company has no investments in real estate at this time.

6. Joint Ventures, Partnerships, and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies

7. Investment Income

All investment income due and accrued is included in investment income.

8. Derivative Instruments

The Company does not own any derivative instruments.

NOTES TO FINANCIAL STATEMENTS**9. Income Taxes**

The Company files a stand-alone federal income tax return.

When available, the Company utilizes net operating loss carry forwards to offset taxable income. At December 31, 2008, the Company had \$0 of operating loss carry forwards.

The following are income taxes incurred in the current and prior year that will be available for recoupment in the event of future net losses:

2009	\$3,173,000
2008	\$4,018,000
2007	\$2,977,000

The components of current income tax expense are as follows:

	2009	2008
Federal	\$3,144,296	\$3,457,360
Foreign	\$	18,505
Federal Income Tax on net capital gains	\$ (4,504)	\$ 563,459
Utilization of capital loss carry-forwards	-	
Federal income tax incurred	\$3,139,792	\$4,039,324

The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	December 31, 2009	Effective Tax Rate
Provision computed at statutory rate	\$ 2,986,927	35.0%
Dividends received deduction	\$ (68,755)	-8%
Nondeductible expenses	\$ (48,564)	-6%
Benefit of Surtax Bracket	\$ (93,320)	
Other	\$ (16,496)	-2%
Total	\$ 2,759,792	32.3%
Federal and foreign income taxes incurred	\$ 3,139,792	36.8%
Change in net deferred incomes taxes	\$ (380,000)	-4.5%
Total statutory incomes taxes	\$ 2,759,792	32.3%

The components of the net deferred tax asset/(liability) [at December 31] are as follows:

	December 31, 2009	December 31, 2008
Total of all deferred tax asset (admitted and nonadmitted)	\$ 2,255,001	\$1,950,558
Total of all deferred tax liabilities	3,322,495	1,091,383
Net deferred tax asset/(liability)	(1,067,494)	859,175
Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes		206,162
Net admitted deferred tax asset/(liability)	(1,067,494)	653,013
Increase (decrease) in deferred tax assets nonadmitted	\$ (206,162)	

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at [December 31] are as follows:

	December 31, 2009	December 31, 2008
Deferred Tax Assets:		
Tax basis discount on unpaid losses	\$ 148,004	\$ 145,938
Unearned premium discounting	165,501	201,877
Accrued deferred compensation	1,138,819	776,474
Bad debts	54,950	34,167
Depreciation		
Impairment of Assets	708,876	684,830
Unrealized Capital Losses	38,850	107,272
Total deferred tax assets	2,255,001	1,950,558
Total deferred tax assets non-admitted	0	206,162
Admitted deferred tax assets	2,255,001	1,744,396
Deferred Tax Liabilities:		
Unrealized Capital Gains	3,314,454	1,076,206
Accrued dividends	8,042	15,176
Other		
Total deferred tax liabilities	3,322,495	1,091,382
Net admitted deferred tax asset/(liability)	(1,067,494)	653,014

NOTES TO FINANCIAL STATEMENTS

The change in net deferred income taxes is comprised of the following [at December 31]:

	December 31, 2009	December 31, 2008	Change
Total deferred tax assets	\$ 2,255,001	\$ 1,950,558	\$ 304,443
Total deferred tax liabilities	3,322,495	1,091,383	2,231,113
Net deferred tax asset (liability)	\$ (1,067,494)	\$ 859,175	(1,926,669)
Tax effect of unrealized gains (losses)			2,306,669
Change in net deferred income tax			\$ 380,000

10. Information Concerning Parent, Subsidiaries and Affiliates

A. The Company was formed on January 1, 1994. The Company's shareholders as of December 31, 2009 were Arkansas Blue Cross and Blue Shield (50%) and Baptist Medical System HMO, Inc. (50%). Effective October 1st, 2006, USable Corporation, a wholly owned subsidiary of Arkansas Blue Cross and Blue Shield (ABCBS), sold its ownership interest in HMO Partners, Inc. to ABCBS for \$27,143,396.

B. & C. The Company, d/b/a Health Advantage, serves as the Third Party Administrator for the self insured employee groups of ABCBS and Baptist Health. All receivables and payables dealing with their employee groups are classified under Uninsured Plans. At December 31, 2009, receivables of \$3,981,609 and \$1,470,996 were due respectively from Baptist Health and ABCBS. Payable balances of \$4,192,678 and \$1,607,857 are recorded respectively for Baptist Health and ABCBS. The Company paid dividends to Arkansas Blue and Blue Shield and BMS HMO on March 19, 2009, totaling \$544,904.

D. At December 31, 2008 the Company reported the following amounts do to Affiliates:

Arkansas Blue Cross and Blue Shield	\$6,117,955
Pinnacle Business Solutions	671
USable Life	<u>89,499</u>
Total	\$6,208,125

E. N/A

F. The Company reimburses Arkansas Blue Cross and Blue Shield for various administrative, employee benefit and marketing shared expenses, which are provided to the Company. These expenses are allocated to the Company in accordance with generally accepted accounting principles. In addition, the Company leases office space from Arkansas Blue Cross and Blue Shield.

G. N/A

H. N/A

I. N/A

J. N/A

K. N/A

L. N/A

11. Debt

A. As of December 31, 2009, the Company has no capital notes.

B. As of December 31, 2009, the Company's liability for borrowed money was zero (\$-0-).

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

A. Defined Benefit Plan

The Company no longer offers a defined benefit plan.

B. Defined Contribution Plan

The Company offers an optional 401(k) plan to all eligible employees. The employee has the option of deferring up to 15% of his or her salary. The Company matches the amount deferred by the employee based upon years of service from a minimum of 50% to a maximum of 100% of a 6% contribution.

Effective July 1, 1998 the plan was amended to establish a non-contributory, defined contribution portion of the plan known as 401(k) Plu\$. Employees are not required to participate in the original defined contribution plan in order to receive benefits under the 401(k) Plu\$ portion of the plan. Under the 401(k) Plu\$ the Company makes a contribution from 2% to 6% of the eligible compensation of all eligible employees. The determination of the percentage to be used in calculating the contribution is based upon annually established net income targets. At no time will the contribution be less than 2% nor more than 6%. For 2009, 4% has been used to calculate the Company's contribution of \$345,676.

All funds under the 401(k) Plu\$ portions of the plan are held by an outside trustee.

C. Multiemployer Plans

The Company does not participate in multiemployer plans.

D. Consolidated/Holding Company Plans

The Company's employees participate in the deferred compensation plans of the Company's co-owner, Arkansas Blue Cross and Blue Shield.

E. Postemployment Benefits and Compensated Absences

NOTES TO FINANCIAL STATEMENTS

The Company does not offer a postretirement benefit plan.

F. N/A

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

- 1) As of December 31, 2009, the Company had 1,000,000 common stock shares authorized, issued and outstanding at \$.01 par value.
- 2) The Company has no preferred stock outstanding.
- 3) Dividends are paid based on earned surplus and cannot fall below state net worth requirements.
- 4) Dividends on Company stock are paid as declared by its Board of Directors. Dividends were paid in the amount of \$544,904 on March 19, 2009.
- 5) All unassigned surplus is being held for the stockholder.
- 6) As of December 31, 2009, the Company held no stock for special purposes such as employee stock options or conversion of preferred stock.
- 7) The Company does not have any advances to surplus.
- 8) N/A
- 9) The Company has no special surplus funds.
- 10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$ 6,385,090.
- 11) Surplus Notes

	a. issue date	5/2/94	5/2/94	9/19/96	9/19/96
	b. Surplus notes				
	c. Holder of Note	USAble Corp	Multi-Management Services	USAble Corp	Multi-Managemt Services
	d. Par Value	\$1,500,000	\$1,500,000	\$2,500,000	\$2,500,000
	e. Carrying Value	\$ -0-	\$ -0-	\$-0-	\$-0-
	f. Interest rate	7.75%	7.75%	5.00%	5.00%

 - a. Each payment of interest on and principal of the surplus notes may be made only with the prior approval of the Commissioner of the Arkansas Insurance Department and only to the extent the Company has sufficient surplus earnings to make such payment.
 - b. There has been no interest or principal paid that was unapproved.
 - c. For the year ending December 31, 2003 the Company paid \$243,240 of interest and made principal repayments of \$4,000,000 which included the final payoff of the remaining two notes issued 9/19/96. At 12/31/03 the principle balance was \$-0-.
 - d. The Company has paid \$3,491,107 in interest over the life of the surplus notes and \$8,000,000 in principle repayments.
 - e. The rights to the principle amount and to the accrued interest thereon are and shall remain subject to and subordinate to all other liabilities of the Company.
 - f. Upon the dissolution or liquidation of the Company, no payment on the surplus notes shall be made until all other liabilities of the Company shall have been paid.
- 12) The Company was not involved in a quasi-reorganization.
- 13) The Company was not involved in a quasi-reorganization.

14. Contingencies

The Company is not aware of any contingent liabilities as of December 31, 2009.

In the normal course of business, the Company is involved in litigation from time to time with claimants and others, a number of these were pending at December 31, 2009. In the opinion of the Company, the ultimate liability, if any, has been adequately provided for in the financial statements, and any excess liability would not have a material adverse financial effect upon the Company.

15. Leases

The Company has no material lease obligations at this time.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The Company does not have any off-balance sheet risk.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

The Company has not been involved in any sale, transfer and servicing of financial assets and extinguishments of liabilities as of December 31, 2009.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The gain (loss) from operations for uninsured accident and health plans was as follows during 2009:

NOTES TO FINANCIAL STATEMENTS

	Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total
Net Reimbursement for Administrative expenses (including administrative fees) in excess of actual expenses	\$ 439,898	\$-0-	\$ 439,898
Other Income	\$-0-	\$-0-	\$-0-
Net gain or (loss) from operations	\$ 439,898	\$-0-	\$ 439,898
Total claim payment volume	\$176,807,125	\$-0-	\$176,807,125

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company does not currently have any direct premium written/produced by managing general agents/third party administrators.

20. Other Items

- The Company had no extraordinary items as of December 31, 2009.
- The Company had no troubled debt restructuring as of December 31, 2009.
- The Company has no other disclosures as of December 31, 2009.
- The Company has no uncollectible assets covered by SSAP No.6 as of December 31, 2009.
- The Company has no business interruption insurance recoveries.
- The Company has no state transferable tax credits
- The Company does not engage in sub-prime residential mortgage lending nor does it have any material direct investments in collateralized debt obligations or debt securities that are directly backed by residential mortgages. The Company's exposure to sub-prime lending is limited to its ownership of the general obligation debt and/or equity securities of both governmental and commercial entities whose business activities include residential mortgage lending.

As of December 31, 2009 the Company held no debt securities described in the previous paragraph.

The market value of the Company's investment in the equity securities of commercial enterprises that engage in residential mortgage lending accumulates to \$278,000. This represents 1.32% of the Company's non related investments in equity securities of \$21,108,716.

21. Events Subsequent

There were no known events subsequent as of December 31, 2009.

22. Reinsurance**A. Ceded Reinsurance Report**

Section 1

- The Company had no non-affiliated reinsurers.
- The Company had no reinsurer chartered outside the United States.

Section 2

- The Company has no reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits.
- The Company has no reinsurance agreements in effect such that the amount of losses paid or accrued may result in a payment to the reinsurer of amounts that exceed the premium collected.

Section 3

- The estimated reduction in surplus if the reinsurance agreement was terminated would be \$-0-.
- No new agreements have been executed since January 1, 2004.

B. The Company did not have any uncollectible reinsurance written off during the year.

C. There was no commutation of reinsurance during the year.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not have any retrospectively rated contracts or contract subject to redetermination.

24. Change in Incurred Claims and Claim Adjustment Expenses

The Company does not have any changes in the provision for incurred claim and claim adjustment expenses attributable to insured events of prior years.

25. Intercompany Pooling Arrangements

The Company has no intercompany pooling arrangements.

NOTES TO FINANCIAL STATEMENTS**26. Structured Settlements**

This note is not applicable to health entities.

27. Health Care Receivables

A. The Company, in accordance with SSAP No. 84, has estimated pharmaceutical rebate receivables recorded on its financial statements. In determining its estimate, the Company utilizes historical information relative to pharmaceutical rebates received as well as considering contractual changes in rebate amounts and changes in membership. While the Company records the total estimated pharmaceutical rebate receivable, it only admits as an asset the estimate for the last quarter of the reporting date. The detail of the estimated amounts on the financial statements and the related collections are as follows:

Qtr	Est Rebates on F/S	Admitted	Invoiced	---Rebates collected within days of qtr---		
				0-90	91-180	over 180
12/31/09	\$1,816,444	\$873,187				
09/30/09	\$1,646,877	\$812,954				
06/30/09	\$1,521,426	\$763,255			\$ 827,806	
03/31/09	\$1,484,220	\$730,835		\$ 39,779	\$ 756,105	
12/31/08	\$1,364,395	\$677,578		\$ 3,646	\$ 741,177	\$ 5,252
09/30/08	\$1,386,459	\$648,306		\$ 47,521	\$ 664,798	\$ 21,541
06/30/08	\$1,125,345	\$556,394				
03/31/08	\$1,359,187	\$551,496				
12/31/07	\$ 773,100	\$463,529				
09/30/07	\$ 683,232	\$412,520		\$ 3,540		
06/30/07	\$ 676,920	\$442,494			\$ 470,278	
03/31/07	\$ 627,090	\$415,037			\$ 405,570	\$ 27,092

B. The Company has no risk sharing receivables.

28. Participating Policies

The Company has no participating contracts.

29. Premium Deficiency Reserves

The Company has no premium deficiency reserves.

30. Anticipated Salvage and Subrogation

The Company has no estimates of anticipated salvage and subrogation.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] N/A [X]
- 1.3 State regulating? _____

- 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: _____

- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
- 3.2 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
- 3.3 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). 04/25/2007

- 3.4 By what department or departments? Arkansas Insurance Department
- 3.5 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]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]

- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the 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 Co. Code	3 State of Domicile

- 6.1 Has the 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]
- 6.2 If yes, give full information: _____

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

- 7.2 If yes,
- 7.21 State the percentage of foreign control%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BKD, LLP Little Rock, Arkansas

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Samuel Vorderstrasse, Employee of Arkansas Blue Cross and Blue Shield

- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company _____

- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value
- 11.2 If yes, provide explanation. _____

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
-
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [X] No []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
-
- 13.1 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.
- 13.11 If the response to 13.1 is No, please explain:
-
- 13.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
-
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 13.31 If the response to 13.3 is yes, provide the nature of any waiver(s).
-

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
16. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers \$.....0
 - 18.12 To stockholders not officers \$.....0
 - 18.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers \$.....0
 - 18.22 To stockholders not officers \$.....0
 - 18.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others
 - 19.22 Borrowed from others
 - 19.23 Leased from others
 - 19.24 Other
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment
 - 20.22 Amount paid as expenses
 - 20.23 Other amounts paid
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount.

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 22.3)? Yes [X] No []
- 22.2 If no, give full and complete information relating thereto.
-
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 16 where this information is also provided).
-
- 22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No [] N/A []
- 22.5 If answer to 22.4 is yes, report amount of collateral. \$.....0
- 22.6 If answer to 22.4 is no, report amount of collateral.
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3) Yes [] No [X]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements
 - 23.22 Subject to reverse repurchase agreements
 - 23.23 Subject to dollar repurchase agreements
 - 23.24 Subject to reverse dollar repurchase agreements
 - 23.25 Pledged as collateral
 - 23.26 Placed under option agreements
 - 23.27 Letter stock or securities restricted as to sale
 - 23.28 On deposit with state or other regulatory body
 - 23.29 Other

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 24.2 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.

- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 25.2 If yes, state the amount thereof at December 31 of the current year:

26. 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 [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
U.S. Bank Institutional Trust & Custody	St Louis, Missouri

26.02 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)

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [X] No []

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Regions Bank Trust Department	U.S. Bank Institutional Trust & Custody	04/01/2009	Service and pricing

26.05 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 Number(s)	2 Name	3 Address
116359	Foundation Resource Management	Little Rock, Arkansas

- 27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [] No [X]

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj. Carrying Value
27.2999. TOTAL		0

27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds.....	89,902,984	90,769,933	866,949
28.2 Preferred stocks.....			0
28.3 Totals.....	89,902,984	90,769,933	866,949

- 28.4 Describe the sources or methods utilized in determining the fair values:
Fair value pricing obtained, where applicable, from NAIC 4th Quarter 2206 Valuation of Securities database, or from market prices provided by US Bank Institutional Trust & Custody, custodian for investment assets, for issues which were not priced by NAIC at year-end

- 29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []
- 29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []
- 29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

OTHER

31.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....229,898

31.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Blue Cross Blue Shield Association	198,095

32.1 Amount of payments for legal expenses, if any? \$.....66,274

32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Foley and Lardner	30,548

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....58,814

33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Blue Cross Blue Shield Association	58,814

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?
- 1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.
- 1.6 Individual policies:
 - Most current three years:
 - 1.61 Total premium earned
 - 1.62 Total incurred claims
 - 1.63 Number of covered lives
 - All years prior to most current three years:
 - 1.64 Total premium earned
 - 1.65 Total incurred claims
 - 1.66 Number of covered lives
- 1.7 Group policies:
 - Most current three years:
 - 1.71 Total premium earned
 - 1.72 Total incurred claims
 - 1.73 Number of covered lives
 - All years prior to most current three years:
 - 1.74 Total premium earned
 - 1.75 Total incurred claims
 - 1.76 Number of covered lives

- 2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	122,798,650	116,486,603
2.2 Premium Denominator.....	122,798,650	116,486,603
2.3 Premium Ratio (2.1/2.2).....	100.0	100.0
2.4 Reserve Numerator.....	21,569,979	21,177,672
2.5 Reserve Denominator.....	21,569,980	21,177,672
2.6 Reserve Ratio (2.4/2.5).....	100.0	100.0

 - 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, and if the earnings of the reporting entity permits? Yes [] No [X]
 - 3.2 If yes, give particulars:

- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
- 5.2 If no, explain:

- 5.3 Maximum retained risk (see instructions):
 - 5.31 Comprehensive medical \$.....2,000,000
 - 5.32 Medical only \$.....0
 - 5.33 Medicare supplement \$.....0
 - 5.34 Dental and vision \$.....0
 - 5.35 Other limited benefit plan \$.....0
 - 5.36 Other \$.....0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
 Hold Harmless

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes [X] No []
- 7.2 If no, give details:

- 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year9,003
 - 8.2 Number of providers at end of reporting year9,683

- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
- 9.2 If yes, direct premium earned:
 - 9.21 Business with rate guarantees between 15-36 months
 - 9.22 Business with rate guarantees over 36 months

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus arrangements in its provider contracts? Yes [X] No []
- 10.2 If yes:
 - 10.21 Maximum amount payable bonuses \$.....0
 - 10.22 Amount actually paid for year bonuses \$.....0
 - 10.23 Maximum amount payable withholds \$.....10,372,836
 - 10.24 Amount actually paid for year withholds \$.....10,372,836

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No [X]
- 11.13 An Individual Practice Association (IPA), or Yes [X] No []
- 11.14 A Mixed Model (combination of above)? Yes [] No [X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such net worth. Arkansas
- 11.4 If yes, show the amount required. \$.....100,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
- 11.6 If the amount is calculated, show the calculation:
-
-

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Arkansas

- 13.1 Do you act as a custodian for health savings account? Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date.
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date.

FIVE-YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26).....	128,358,281	116,007,331	116,104,434	106,786,478	95,139,933
2. Total liabilities (Page 3, Line 22).....	44,262,604	41,105,089	41,259,808	40,601,238	38,557,463
3. Statutory surplus.....	100,000	100,000	100,000	100,000	100,000
4. Total capital and surplus (Page 3, Line 31).....	84,095,677	74,902,242	74,844,626	66,185,240	56,582,470
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	122,798,650	116,486,603	100,895,391	89,579,403	113,372,429
6. Total medical and hospital expenses (Line 18).....	100,908,403	95,834,446	83,032,177	68,713,548	91,006,413
7. Claims adjustment expenses (Line 20).....	3,666,090	3,368,731	6,869,937	6,127,236	5,252,991
8. Total administrative expenses (Line 21).....	11,567,134	10,716,637	5,236,718	5,138,709	6,195,022
9. Net underwriting gain (loss) (Line 24).....	6,657,023	6,566,789	5,756,559	9,599,910	10,918,003
10. Net investment gain (loss) (Line 27).....	1,663,278	2,710,687	5,703,180	4,297,469	2,734,401
11. Total other income (Lines 28 plus 29).....	288,002	293,282	283,257	286,973	190,881
12. Net income or (loss) (Line 32).....	5,394,289	5,449,044	8,346,728	9,747,146	9,128,177
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	5,383,831	12,896,550	5,799,929	5,253,776	6,287,871
Risk-Based Capital Analysis					
14. Total adjusted capital.....	84,095,677	74,902,242	74,844,626	66,185,240	56,582,470
15. Authorized control level risk-based capital.....	5,035,282	4,546,132	4,352,158	3,664,061	4,363,660
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	66,724	66,315	62,089	57,522	51,965
17. Total member months (Column 6, Line 7).....	803,024	797,630	718,343	657,413	764,801
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	82.2	82.3	100.0	100.0	100.0
20. Cost containment expenses.....	1.7	1.8	4.3	4.6	3.2
21. Other claims adjustment expenses.....	1.3	1.1	2.5	2.2	1.5
22. Total underwriting deductions (Line 23).....	94.6	94.4	94.3	89.3	90.4
23. Total underwriting gain (loss) (Line 24).....	5.4	5.6	5.7	10.7	9.6
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	17,268,487	15,445,016	12,093,954	14,151,311	15,691,358
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	21,177,672	17,269,291	13,998,123	17,145,415	19,811,088
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama.....AL	N							0	
2. Alaska.....AK	N							0	
3. Arizona.....AZ	N							0	
4. Arkansas.....AR	L	197,737,042						197,737,042	
5. California.....CA	N							0	
6. Colorado.....CO	N							0	
7. Connecticut.....CT	N							0	
8. Delaware.....DE	N							0	
9. District of Columbia.....DC	N							0	
10. Florida.....FL	N							0	
11. Georgia.....GA	N							0	
12. Hawaii.....HI	N							0	
13. Idaho.....ID	N							0	
14. Illinois.....IL	N							0	
15. Indiana.....IN	N							0	
16. Iowa.....IA	N							0	
17. Kansas.....KS	N							0	
18. Kentucky.....KY	N							0	
19. Louisiana.....LA	N							0	
20. Maine.....ME	N							0	
21. Maryland.....MD	N							0	
22. Massachusetts.....MA	N							0	
23. Michigan.....MI	N							0	
24. Minnesota.....MN	N							0	
25. Mississippi.....MS	N							0	
26. Missouri.....MO	N							0	
27. Montana.....MT	N							0	
28. Nebraska.....NE	N							0	
29. Nevada.....NV	N							0	
30. New Hampshire.....NH	N							0	
31. New Jersey.....NJ	N							0	
32. New Mexico.....NM	N							0	
33. New York.....NY	N							0	
34. North Carolina.....NC	N							0	
35. North Dakota.....ND	N							0	
36. Ohio.....OH	N							0	
37. Oklahoma.....OK	N							0	
38. Oregon.....OR	N							0	
39. Pennsylvania.....PA	N							0	
40. Rhode Island.....RI	N							0	
41. South Carolina.....SC	N							0	
42. South Dakota.....SD	N							0	
43. Tennessee.....TN	N							0	
44. Texas.....TX	N							0	
45. Utah.....UT	N							0	
46. Vermont.....VT	N							0	
47. Virginia.....VA	N							0	
48. Washington.....WA	N							0	
49. West Virginia.....WV	N							0	
50. Wisconsin.....WI	N							0	
51. Wyoming.....WY	N							0	
52. American Samoa.....AS	N							0	
53. Guam.....GU	N							0	
54. Puerto Rico.....PR	N							0	
55. U.S. Virgin Islands.....VI	N							0	
56. Northern Mariana Islands.....MP	N							0	
57. Canada.....CN	N							0	
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		197,737,042	0	0	0	0	0	197,737,042	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX		983,046						983,046	
61. Total (Direct Business).....(a)	1	198,720,088	0	0	0	0	0	198,720,088	0

DETAILS OF WRITE-INS

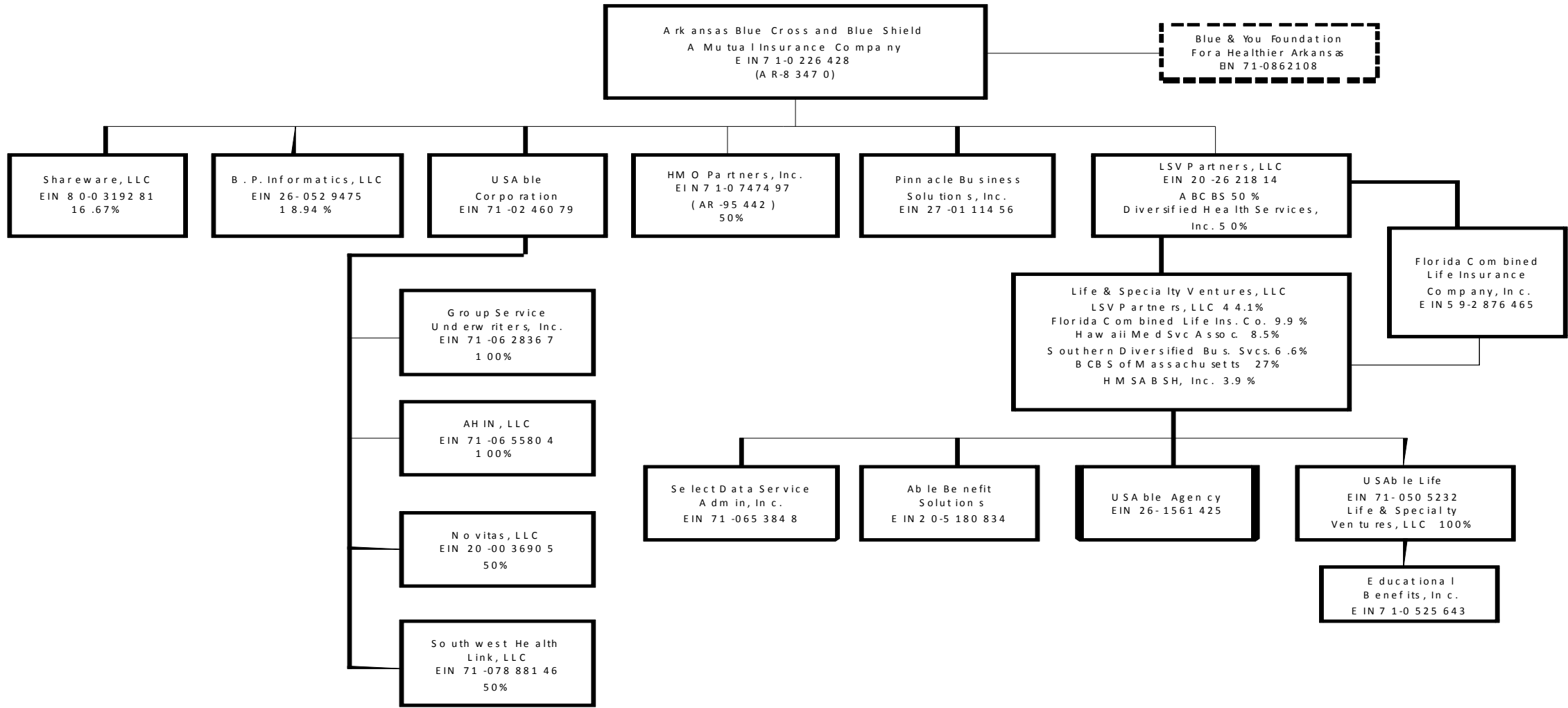
5801.....								0	
5802.....								0	
5803.....								0	
5898. Summary of remaining write-ins for line 58.....		0	0	0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 + 5898) (Line 58 above).....		0	0	0	0	0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.

The company only has business in the State of Arkansas

(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



**2009 ALPHABETICAL INDEX
HEALTH ANNUAL STATEMENT BLANK**

Exhibit of Nonadmitted Assets	16	Schedule DB – Part D – Section 2	E23
Analysis of Operations By Lines of Business	7	Schedule DB – Part D – Section 3	E23
Assets	2	Schedule DB – Part D – Verification Between Years	SI13
Cash Flow	6	Schedule DB – Part E – Section 1	E24
Exhibit 1 – Enrollment By Product Type for Health Business Only	17	Schedule DB – Part E – Verification	SI13
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18	Schedule DB – Part F – Section 1	SI14
Exhibit 3 – Health Care Receivables	19	Schedule DB – Part F – Section 2	SI15
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	20	Schedule E – Part 1 – Cash	E25
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	21	Schedule E – Part 2 – Cash Equivalents	E26
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	22	Schedule E – Part 3 – Special Deposits	E27
Exhibit 7 – Part 1 – Summary of Transactions With Providers	23	Schedule E – Verification Between Years	SI16
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	23	Schedule S – Part 1 – Section 2	30
Exhibit 8 – Furniture, Equipment and Supplies Owned	24	Schedule S – Part 2	31
Exhibit of Capital Gains (Losses)	15	Schedule S – Part 3 – Section 2	32
Exhibit of Net Investment Income	15	Schedule S – Part 4	33
Exhibit of Premiums, Enrollment and Utilization (State Page)	29	Schedule S – Part 5	34
Five-Year Historical Data	28	Schedule S – Part 6	35
General Interrogatories	26	Schedule T – Part 2 – Interstate Compact	37
Jurat Page	1	Schedule DA – Part 1	E17
Liabilities, Capital and Surplus	3	Schedule DA – Verification Between Years	SI11
Notes To Financial Statements	25	Schedule DB – Part A – Section 1	E18
Overflow Page For Write-ins	41	Schedule DB – Part A – Section 2	E18
Schedule A – Part 1	E01	Schedule DB – Part A – Section 3	E19
Schedule A – Part 2	E02	Schedule DB – Part A – Verification Between Years	SI12
Schedule A – Part 3	E03	Schedule DB – Part B – Section 1	E19
Schedule A – Verification Between Years	SI02	Schedule DB – Part B – Section 2	E20
Schedule B – Part 1	E04	Schedule DB – Part B – Section 3	E20
Schedule B – Part 2	E05	Schedule DB – Part B – Verification Between Years	SI12
Schedule B – Part 3	E06	Schedule DB – Part C – Section 1	E21
Schedule B – Verification Between Years	SI02	Schedule DB – Part C – Section 2	E21
Schedule BA – Part 1	E07	Schedule DB – Part C – Section 3	E22
Schedule BA – Part 2	E08	Schedule DB – Part D – Verification Between Years	SI13
Schedule BA – Part 3	E09	Schedule DB – Part E – Section 1	E24
Schedule BA – Verification Between Years	SI03	Schedule DB – Part E – Verification	SI13
Schedule D – Part 1	E10	Schedule DB – Part F – Section 1	SI14
Schedule D – Part 1A – Section 1	SI05	Schedule DB – Part F – Section 2	SI15
Schedule D – Part 1A – Section 2	SI08	Schedule E – Part 1 – Cash	E25
Schedule D – Part 2 – Section 1	E11	Schedule E – Part 2 – Cash Equivalents	E26
Schedule D – Part 2 – Section 2	E12	Schedule E – Part 3 – Special Deposits	E27
Schedule D – Part 3	E13	Schedule E – Verification Between Years	SI16
Schedule D – Part 4	E14	Schedule S – Part 1 – Section 2	30
Schedule D – Part 5	E15	Schedule S – Part 2	31
Schedule D – Part 6 – Section 1	E16	Schedule S – Part 3 – Section 2	32
Schedule D – Part 6 – Section 2	E16	Schedule S – Part 4	33
Schedule D – Summary By Country	SI04	Schedule S – Part 5	34
Schedule D – Verification Between Years	SI03	Schedule S – Part 6	35
Schedule DA – Part 1	E17	Schedule T – Part 2 – Interstate Compact	37
Schedule DA – Verification Between Years	SI11	Schedule T – Premiums and Other Considerations	36
Schedule DB – Part A – Section 1	E18	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	38
Schedule DB – Part A – Section 2	E18	Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates	39
Schedule DB – Part A – Section 3	E19	Statement of Revenue and Expenses	4
Schedule DB – Part A – Verification Between Years	SI12	Summary Investment Schedule	SI01
Schedule DB – Part B – Section 1	E19	Supplemental Exhibits and Schedules Interrogatories	40
Schedule DB – Part B – Section 2	E20	Underwriting and Investment Exhibit – Part 1	8
Schedule DB – Part B – Section 3	E20	Underwriting and Investment Exhibit – Part 2	9
Schedule DB – Part B – Verification Between Years	SI12	Underwriting and Investment Exhibit – Part 2A	10
Schedule DB – Part C – Section 1	E21	Underwriting and Investment Exhibit – Part 2B	11
Schedule DB – Part C – Section 2	E21	Underwriting and Investment Exhibit – Part 2C	12
Schedule DB – Part C – Section 3	E22	Underwriting and Investment Exhibit – Part 2D	13
Schedule DB – Part C – Verification Between Years	SI13	Underwriting and Investment Exhibit – Part 3	14
Schedule DB – Part D – Section 1	E22		