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HEALTH QUARTERLY STATEMENT

As of March 31, 2004

of the Condition and Affairs of the

Imerica Life and Health Insurance Company

NAIC Group Code..... , 876 (Current Period) (Prior Period) NAIC Company Code..... 63533 Employer's ID Number..... 71-0655804

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

Incorporated..... July 20, 1925 Commenced Business..... August 8, 1925

Statutory Home Office	3501 Frontage Road, Suite 300 ..... Tampa ..... FL ..... 33607 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	3501 Frontage Road, Suite 300 ..... Tampa ..... FL ..... 33607 *(Street and Number) (City or Town, State and Zip Code)*	813-286-7533 *(Area Code) (Telephone Number)*
Mail Address	3501 Frontage Road, Suite 300 ..... Tampa ..... FL ..... 33607 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	3501 Frontage Road, Suite 300 ..... Tampa ..... FL ..... 33607 *(Street and Number) (City or Town, State and Zip Code)*	813-286-7533 *(Area Code) (Telephone Number)*
Internet Website Address	www.imerica.com	
Statutory Statement Contact	Matthew Robert Cassell *(Name)*	813-286-7533 *(Area Code) (Telephone Number) (Extension)*
	mcassell@imerica.com *(E-Mail Address)*	813-287-1371 *(Fax Number)*
Policyowner Relations Contact	3501 Frontage Road, Suite 300 ..... Tampa ..... FL ..... 33607 *(Street and Number) (City or Town, State and Zip Code)*	813-286-7533 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

Name	Title	Name	Title
1. Michael Ashker	President	2. Michael Griffin Hankinson	Secretary
3. Matthew Robert Cassell	Treasurer	4.	

OTHER

John Robert Cramer
Harvey Pollak
Leanne Kathy Jansen
Jennifer Watson Seitz

DIRECTORS OR TRUSTEES

Michael Ashker
Jeffery William Bak
Jeffrey Ryan Crisan
James Nahirny

State of..... Florida
County of..... Hillsborough

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, which is an exact copy of the enclosed statement (except for formatting differences due to electronic filing). The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Michael Ashker 1. (Printed Name)	Michael Griffin Hankinson 2. (Printed Name)	Matthew Robert Cassell 3. (Printed Name)
President (Title)	Secretary (Title)	Treasurer (Title)

Subscribed and sworn to before me
This day of

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 Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	2,954,601		2,954,601	2,961,491
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
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 $.....0 encumbrances)			0	
5. Cash ($.....992,025), cash equivalents ($.....0) and short-term investments ($.....2,998,242)	3,990,266		3,990,266	4,310,344
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets			0	
8. Receivable for securities			0	
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	6,944,867	0	6,944,867	7,271,835
11. Investment income due and accrued	24,409		24,409	60,998
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection			0	
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
12.3 Accrued retrospective premiums			0	
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers			0	
13.2 Funds held by or deposited with reinsured companies			0	
13.3 Other amounts receivable under reinsurance contracts			0	
14. Amounts receivable relating to uninsured plans			0	
15.1 Current federal and foreign income tax recoverable and interest thereon			0	
15.2 Net deferred tax asset			0	
16. Guaranty funds receivable or on deposit	28,284		28,284	28,284
17. Electronic data processing equipment and software			0	
18. Furniture and equipment, including health care delivery assets ($.....0)			0	
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates			0	
21. Health care ($.....0) and other amounts receivable			0	
22. Other assets nonadmitted			0	
23. Aggregate write-ins for other than invested assets	0	0	0	12,313
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	6,997,560	0	6,997,560	7,373,430
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	6,997,560	0	6,997,560	7,373,430

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. Miscellaneous Receivable			0	12,313
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)	0	0	0	12,313

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)			0	
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses			0	
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			0	
9. General expenses due or accrued	14,979		14,979	
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	11,395
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	
13. Remittances and items not allocated			0	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates			0	
16. Payable for securities			0	
17. Funds held under reinsurance treaties with ($.....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 accident and health plans			0	
21. Aggregate write-ins for other liabilities (including $.....0 current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	14,979	0	14,979	11,395
23. Common capital stock	XXX	XXX	2,539,748	2,539,748
24. Preferred capital stock	XXX	XXX		
25. Gross paid in and contributed surplus	XXX	XXX	29,729,123	29,729,123
26. Surplus notes	XXX	XXX		
27. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
28. Unassigned funds (surplus)	XXX	XXX	(25,286,290)	(24,906,837)
29. Less treasury stock, at cost:				
29.1 .....0.000 shares common (value included in Line 23 $.....0)	XXX	XXX		
29.2 .....0.000 shares preferred (value included in Line 24 $.....0)	XXX	XXX		
30. Total capital and surplus (Lines 23 to 28 minus Line 29)	XXX	XXX	6,982,581	7,362,035
31. Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	6,997,560	7,373,430

DETAILS OF WRITE-INS

2101.			0	
2102.			0	
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)	0	0	0	0
2701.	XXX	XXX		
2702.	XXX	XXX		
2703.	XXX	XXX		
2798. Summary of remaining write-ins for Line 27 from overflow page	XXX	XXX	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member months	XXX		
2. Net premium income (including $.....0 non-health premium income)	XXX		
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	0	0
Hospital and Medical:			
9. Hospital/medical benefits			
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs			
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)	0	0	0
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)	0	0	0
19. Non-health claims			
20. Claims adjustment expenses, including $.....0 cost containment expenses			
21. General administrative expenses		418,411	98,907
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	418,411	98,907
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(418,411)	(98,907)
25. Net investment income earned		39,684	191,217
26. Net realized capital gains (losses)		190	(9)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	39,874	191,208
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	0	0
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(378,537)	92,301
31. Federal and foreign income taxes incurred	XXX		32,311
32. Net income (loss) (Lines 30 minus 31)	XXX	(378,537)	59,990

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. Regional Management Fees			
2902.			
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	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year
33. Capital and surplus prior reporting year	7,362,033	14,908,512
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	(378,537)	4,343
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses		
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets		
40. Change in unauthorized reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		(7,550,822)
47. Aggregate write-ins for gains or (losses) in surplus	(918)	0
48. Net change in capital and surplus (Lines 34 to 47)	(379,455)	(7,546,479)
49. Capital and surplus end of reporting period (Line 33 plus 48)	6,982,578	7,362,033

DETAILS OF WRITE-INS

4701. Write off Misc. Receivables as Uncollectable	(12,313)	
4702. Prior Year Tax Liabilities Assumed by former Parent	11,395	
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)	(918)	0

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance		
2. Net investment income	83,164	207,943
3. Miscellaneous income		
4. Total (Lines 1 through 3)	83,164	207,943
5. Benefit and loss related payments		
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	403,432	161,664
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) $.....0 net tax on capital gains (losses)		(9,057)
10. Total (Lines 5 through 9)	403,432	152,606
11. Net cash from operations (Line 4 minus Line 10)	(320,268)	55,337
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		1,965,037
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	190	
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	190	1,965,037
13. Cost of investments acquired (long-term only):		
13.1 Bonds		804,219
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	804,219
14. Net increase (decrease) in policy loans and premium notes		
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	190	1,160,818
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 received		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		7,816,858
16.6 Other cash provided (applied)		998,948
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	0	(6,817,910)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	(320,078)	(5,601,755)
19. Cash and short-term investments:		
19.1 Beginning of year	4,310,344	9,912,100
19.2 End of period (Line 18 plus Line 19.1)	3,990,266	4,310,344

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

20.001		
20.999 Totals	0	0

Exhibit of Premiums, Enrollment and Utilization
NONE

Claims Unpaid and Incentive Pool, Withhold and Bonus (Reported and Unreported)
NONE

Underwriting and Investment Exhibit
NONE

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, 2002, (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 polices. 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.

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 regulations requiring 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.

3. Business Combinations and Goodwill

The Company had no business combinations or goodwill as of March 31, 2004.

4. Discontinued Operations

All former operations of the Company transferred to former Affiliates as of September 31, 2002. The Company had no discontinued operations as of March 31, 2004.

5. Investments

A. The Company has no mortgage loans as of March 31, 2004.
B. The Company has no debt restructuring as of March 31, 2004.
C. The Company has no reverse mortgages as of March 31, 2004.
D. The Company has no loan-backed securities as of March 31, 2004.
E. The Company has no repurchase agreements as of March 31, 2004.
F. The Company has no real estate as of March 31, 2004.

6. Joint Ventures, Partnerships, and Limited Liability Companies

The Company had no ownership in Joint Ventures as of March 31, 2004.

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.

9. Income Taxes

The Company currently files a separate federal tax return.
At March 31, 2004, the Company had $0 of operating loss carry forwards.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries and Affiliates

A. After the close of business on December 31, 2003, the Company became a wholly owned subsidiary of Imerica Financial Corporation, a Delaware Corporation.
B. N/A
C. N/A
D. The Company reported no amount due from Affiliates as of March 31, 2004.
E. N/A
F. The Company reimburses Imerica Financial Corporation and other affiliates 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 Imerica Financial Corporation.
G. N/A
H. N/A
I. N/A
J. N/A

11. Debt

A. As of March 31, 2004, the Company has no capital notes.
B. As of March 31, 2004, the Company's liability for borrowed money was zero ($-0-).

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan
The Company does not offer a defined benefit plan.

B. Defined Contribution Plan
The Company does not offer a defined contribution plan.

C. Multi-employer Plans
The Company does not offer a multi-employer plans.

D. Consolidated/Holding Company Plans
The Company does not have any employees as of March 31, 2004.

E. Post-employment Benefits and Compensated Absences
The Company does not have any employees as of March 31, 2004.

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

A. As of March 31, 2004, the Company had 15,000,000 common capital shares authorized, 1,269,874 issued and outstanding at $2 Par value.
B. The Company has no preferred stock outstanding.
C. The Company has no dividend restrictions.
D. Dividends are paid based on earned surplus and can not fall below state net worth requirements.
E. All unassigned surplus is being held for the stockholder.
F. The Company does not have any advances to surplus.
G. As of March 31, 20034 no stock was held by the Company for special purposes such as employee stock options or conversion of preferred stock.
H. The Company has no special surplus funds.
I. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:
   a. unrealized gains and losses: $ 0
   b. non-admitted asset values: $ 0
   c. provision for reinsurance: $ 0
J. The Company has no Surplus Notes as of March 31, 2004.
K. The Company was not involved in a quasi-reorganization.

14. Contingencies

The Company is not aware of any contingent liabilities as of March 31, 2004.

In the normal course of business, the Company may be involved in litigation from time to time with claimants and others. 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 as of March 31, 2004.

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 as of March 31, 2004.

NOTES TO FINANCIAL STATEMENTS

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 March 31, 2004.

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

The Company does not have any gain (loss) from operations for uninsured accident and health plans as of March 31, 2004.

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 as of March 31, 2004.

20. September 11 Events

The Company did not recognize any losses as a result of the September 11 events.

21. Other Items

A. The Company had no extraordinary items as of March 31, 2004.
B. The Company had no troubled debt restructuring as of March 31, 2004.
C. During November 2002, the Board of Directors of the Company approved a resolution to transfer the operations of the Company to its parent, USAble Corporation. Upon completion of the transfer of these operations, management of the Company's parent intended to sell the insurance licenses and corporate shell of the Company. Completion of this transfer was effective September 31, 2002. The sale of the Company occurred as of December 31, 2003 to Imerica Financial Corporation.
D. The Company has no uncollectible assets covered by SSAP No.6 as of March 31, 2004.
E. The Company has no non cash investing or financing transactions as of March 31, 2004.
A. The Company has no business interruption insurance recoveries received as of March 31, 2004.
B. The Company has no reinsurance agreements that have been accounted for as deposits as of March 31, 2004.
C. The Company has no unearned premium reserve as of March 31, 2004.
D. The Company has no mortgage loans as of March 31, 2004.
E. The Company has no pharmacy rebates as of March 31, 2004.
F. The Company did not recognize any losses related to the September 11 events.
G. The Company has no investments in real estate as of March 31, 2004.
H. The Company has no participating contracts as of March 31, 2004.
I. The Company has no premium deficiency reserves as of March 31, 2004.
J. The Company has no intercompany pooling arrangements.
K. The Company has no goodwill resulting from assumption reinsurance as of March 31, 2004.

22. Events Subsequent

There were no known material events subsequent as of March 31, 2004.

23. Reinsurance

A. The Company does not have any unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholder surplus as of March 31, 2004.
B. The Company does not have any reinsurance recoverable that is in dispute as of March 31, 2004.
C. The Company does not have any return commission which would have been due if the Company had cancelled the reinsurance.
D. The Company did not have any uncollectible reinsurance written off during the reporting period.
E. There was no commutation of reinsurance during the reporting period.
F. The Company does not have any retroactive reinsurance agreements as of March 31, 2004.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not have any retrospectively rated contracts or contract subject to redetermination as of March 31, 2004.

25. Change in Incurred Losses and Loss Adjustment Expenses

The Company does not have any changes in Incurred Losses and Loss Adjustment Expenses as of March 31, 2004.

26. Intercompany Pooling Arrangements

The Company does not have any intercompany pooling arrangements.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

The Company does not have any health care receivables as of March 31, 2004.

29. Participating Policies

NOTES TO FINANCIAL STATEMENTS

The Company does not have any Participating Policies as of March 31, 2004.

30. Premium Deficiency Reserves

The Company does not have any Premium Deficiency Reserves as of March 31, 2004.

31. Salvage and Subrogation

Anticipated Salvage and Subrogation included as a reduction to Loss Reserves and Loss Adjustment Reserves as reported in the Underwriting and Investment Exhibit and Page 3 – Liabilities, Capital and Surplus, Line1. The Company does not have any Anticipated Salvage and Subrogation as of March 31, 2004.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [ ] No [X]

1.2 If yes, explain:...

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [X] No [ ]

2.2 If yes, has the report been filed with the domiciliary state? Yes [X] No [ ]

3.1 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 [X] No [ ]

3.2 If yes, date of change: 02/18/2004
If not previously filed, furnish herewith a certified copy of the instrument as amended.

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

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

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

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

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 09/15/2000

7.2 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. 12/31/1999

7.3 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). 10/06/2000

7.4 By what department or departments?

Arkansas Insurance Department

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [X]

8.2 If yes, give full information:

9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

9.2 If response to 9.1 is yes, please identify the name of the bank holding company.

9.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

9.4 If the response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [X] No [ ]

10.2 If yes, explain:... 100% of stock acquired by Imerica Financial Corporation as of December 31, 2003

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

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

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
14.21 Bonds		
14.22 Preferred Stock		
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages, Loans or Real Estate		
14.26 All Other		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$0	$0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

16. Excluding items in Schedule E, 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 Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
Regions Bank	Little Rock, AR
Wachovia Bank	Raleigh, NC
Bank One	Indianapolis, IN
US Bank	Topeka, KS
Century Trust	Santa Fe, NM
Bank of America, N.A.	Charlotte, NC
AmSouth Capital Markets	Nashville, TN
SunTrust Company	Richmond, VA

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

SCHEDULE A - VERIFICATION

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improvements		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period	0	0
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column)	0	0

SCHEDULE B - VERIFICATION

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	0	
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column)	0	0

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	0	
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book adjusted/carrying value of long-term invested asset at end of current period	0	0
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	0	0

SCHEDULE D - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	2,961,491	4,180,686
2. Cost of bonds and stocks acquired		804,219
3. Accrual of discount		
4. Increase (decrease) by adjustment	(6,891)	(58,376)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		
7. Consideration for bonds and stocks disposed of		1,965,038
8. Amortization of premium		
9. Book/adjusted carrying value, current period	2,954,600	2,961,491
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	2,954,600	2,961,491
12. Total nonadmitted amounts		
13. Statement value	2,954,600	2,961,491

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	2,961,491			(6,891)	2,954,600			2,961,491
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	2,961,491	0	0	(6,891)	2,954,600	0	0	2,961,491
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	2,961,491	0	0	(6,891)	2,954,600	0	0	2,961,491

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals	2,998,242	XXX	2,998,242	4,258	

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	30,245	5,679,112
2. Cost of short-term investments acquired	11,998,242	8,916,762
3. Increase (decrease) by adjustment		3,700
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments		
6. Consideration received on disposal of short-term investments	9,030,245	14,569,329
7. Book/adjusted carrying value, current period	2,998,242	30,245
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	2,998,242	30,245
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	2,998,242	30,245
12. Income collected during period	4,448	21,302
13. Income earned during period	3,685	16,060

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	2	Direct Business Only Year-to-Date					
			3	4	5	6	7	8
State, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/Casualty Premiums
1. Alabama AL	NO	YES						
2. Alaska AK	NO	YES						
3. Arizona AZ	NO	YES						
4. Arkansas AR	NO	YES						
5. California CA	NO	YES						
6. Colorado CO	NO	YES						
7. Connecticut CT	NO	NO						
8. Delaware DE	YES	YES						
9. District of Columbia DC	NO	YES						
10. Florida FL	NO	NO						
11. Georgia GA	NO	YES						
12. Hawaii HI	NO	YES						
13. Idaho ID	NO	YES						
14. Illinois IL	NO	YES						
15. Indiana IN	NO	YES						
16. Iowa IA	NO	NO						
17. Kansas KS	NO	YES						
18. Kentucky KY	NO	YES						
19. Louisiana LA	NO	YES						
20. Maine ME	NO	NO						
21. Maryland MD	NO	YES						
22. Massachusetts MA	NO	NO						
23. Michigan MI	NO	NO						
24. Minnesota MN	NO	NO						
25. Mississippi MS	NO	YES						
26. Missouri MO	NO	YES						
27. Montana MT	NO	YES						
28. Nebraska NE	NO	YES						
29. Nevada NV	NO	YES						
30. New Hampshire NH	NO	NO						
31. New Jersey NJ	NO	NO						
32. New Mexico NM	NO	YES						
33. New York NY	NO	NO						
34. North Carolina NC	YES	YES						
35. North Dakota ND	NO	YES						
36. Ohio OH	NO	YES						
37. Oklahoma OK	NO	YES						
38. Oregon OR	NO	YES						
39. Pennsylvania PA	NO	NO						
40. Rhode Island RI	NO	NO						
41. South Carolina SC	NO	YES						
42. South Dakota SD	NO	NO						
43. Tennessee TN	NO	YES						
44. Texas TX	YES	YES						
45. Utah UT	NO	YES						
46. Vermont VT	NO	NO						
47. Virginia VA	NO	YES						
48. Washington WA	NO	YES						
49. West Virginia WV	NO	YES						
50. Wisconsin WI	NO	NO						
51. Wyoming WY	NO	YES						
52. American Samoa AS	NO	NO						
53. Guam GU	NO	NO						
54. Puerto Rico PR	NO	NO						
55. U.S. Virgin Islands VI	NO	NO						
56. Canada CN	NO	NO						
57. Aggregate Other alien OT	XXX	XXX	0	0	0	0	0	0
58. Total (Direct Business)	XXX	(a) 36	0	0	0	0	0	0

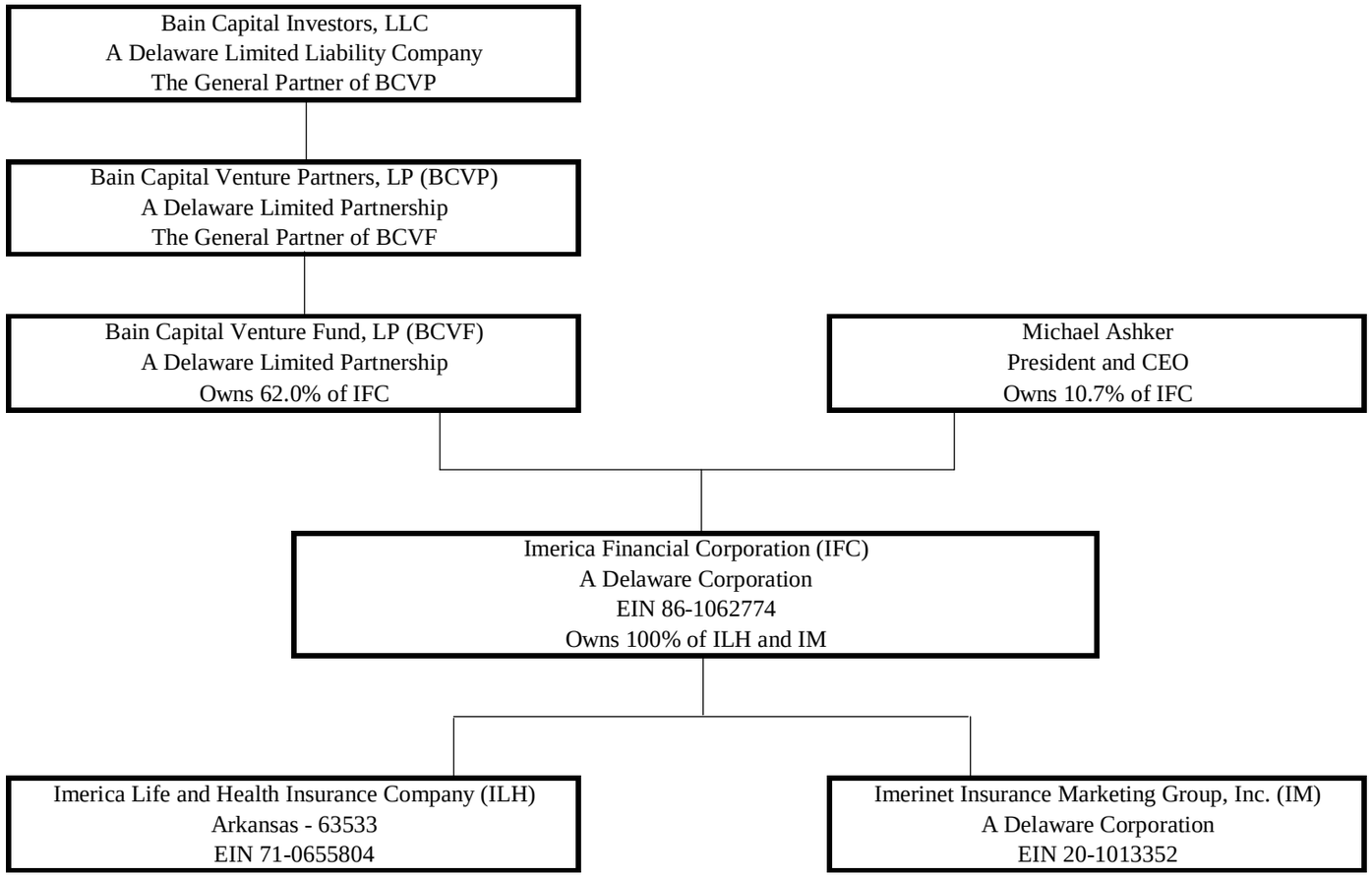
DETAILS OF WRITE-INS

5701.							
5702.							
5703.							
5798. Summary of remaining write-ins for line 57 from overflow page		0	0	0	0	0	0
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above)		0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	YES

EXPLANATION:

BAR CODE:

Overflow Page
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

Sch. D-Part 3
NONE

Sch. D-Part 4
NONE

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter 6 First Month	7 Second Month	8 Third Month	9 *
Open Depositories									
Bank of America, N.A.	Little Rock, AR			502	154	799,166	683,024	452,187	XXX
Wachovia, N.A.	Raleigh, NC			0	5		4,876	9,564	XXX
Citigroup Global Markets, Inc.	Little Rock, AR			5	605	530,249	530,249	530,249	XXX
0199999. Total Open Depositories		XXX	XXX	507	764	1,329,415	1,218,149	992,000	XXX
0399999. Total Cash on Deposit		XXX	XXX	507	764	1,329,415	1,218,149	992,000	XXX
0599999. Total Cash		XXX	XXX	507	764	1,329,415	1,218,149	992,000	XXX