



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2010  
OF THE CONDITION AND AFFAIRS OF THE

## Arkansas Community Care, Inc.

NAIC Group Code 3681 3681 NAIC Company Code 12282 Employer's ID Number 20-2036444  
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [  ] No [  ]

Incorporated/Organized 01/31/2005 Commenced Business 01/01/2006

Statutory Home Office 10025 W Markham St., Suite 220, Little Rock , AR 72205  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 500 12th Street, Ste 350  
(Street and Number)  
Oakland , CA 94607, 510-832-0311  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 500 12th Street, Ste 350, Oakland , CA 94607  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 500 12th Street, Ste 350  
(Street and Number)  
Oakland , CA 94607, 510-832-0311  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.arcadianhealth.com

Statutory Statement Contact Stacy Elise Parsons, 510-817-1815  
(Name) (Area Code) (Telephone Number)  
sparsons@arcadianhealth.com, 510-817-1895  
(E-mail Address) (FAX Number)

### OFFICERS

CEO and President Robert Lawrence Fahlman CFO David Carl Buhler  
Treasurer Kenneth Benjamin Zimmerman Secretary James Francis Novello #

### OTHER

### DIRECTORS OR TRUSTEES

Robert Lawrence Fahlman Chase Spencer Milbrandt Jeffrey Craig McManus

State of California SS:  
County of \_\_\_\_\_

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.

Robert Lawrence Fahlman  
CEO and President

Kenneth Benjamin Zimmerman  
Treasurer

David Carl Buhler  
CFO

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

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

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities .....	1,033,811	5.138	1,033,811	5.138
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....	722,706	3.592	722,706	3.592
1.22 Issued by U.S. government sponsored agencies .....	4,409,720	21.918	4,409,720	21.918
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities) .....	0	0.000	0	0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S. :				
1.41 States, territories and possessions general obligations .....	0	0.000	0	0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....	0	0.000	0	0.000
1.43 Revenue and assessment obligations .....	307,107	1.526	307,107	1.526
1.44 Industrial development and similar obligations .....	0	0.000	0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA .....	502,067	2.495	502,067	2.495
1.512 Issued or guaranteed by FNMA and FHLMC .....	0	0.000	0	0.000
1.513 All other .....	0	0.000	0	0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....	111,128	0.552	111,128	0.552
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....	34,282	0.170	34,282	0.170
1.523 All other .....	0	0.000	0	0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) .....	6,920,760	34.399	6,920,760	34.399
2.2 Unaffiliated non-U.S. securities (including Canada) .....	0	0.000	0	0.000
2.3 Affiliated securities .....	0	0.000	0	0.000
3. Equity interests:				
3.1 Investments in mutual funds .....	0	0.000	0	0.000
3.2 Preferred stocks:				
3.21 Affiliated .....	0	0.000	0	0.000
3.22 Unaffiliated .....	0	0.000	0	0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....	0	0.000	0	0.000
3.32 Unaffiliated .....	0	0.000	0	0.000
3.4 Other equity securities:				
3.41 Affiliated .....	0	0.000	0	0.000
3.42 Unaffiliated .....	0	0.000	0	0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....	0	0.000	0	0.000
3.52 Unaffiliated .....	0	0.000	0	0.000
4. Mortgage loans:				
4.1 Construction and land development .....	0	0.000	0	0.000
4.2 Agricultural .....	0	0.000	0	0.000
4.3 Single family residential properties .....	0	0.000	0	0.000
4.4 Multifamily residential properties .....	0	0.000	0	0.000
4.5 Commercial loans .....	0	0.000	0	0.000
4.6 Mezzanine real estate loans .....	0	0.000	0	0.000
5. Real estate investments:				
5.1 Property occupied by company .....	0	0.000	0	0.000
5.2 Property held for production of income (including \$ .....0 of property acquired in satisfaction of debt) .....	0	0.000	0	0.000
5.3 Property held for sale (including \$ .....0 property acquired in satisfaction of debt) .....	0	0.000	0	0.000
6. Contract loans .....	0	0.000	0	0.000
7. Receivables for securities .....	0	0.000	0	0.000
8. Cash, cash equivalents and short-term investments .....	6,077,670	30.208	6,077,670	30.208
9. Other invested assets .....	0	0.000	0	0.000
10. Total invested assets	20,119,251	100.000	20,119,251	100.000

Schedule A - Verification - Real Estate

**N O N E**

Schedule B - Verification - Mortgage Loans

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year .....	
2.	Cost of acquired:	
	2.1 Actual cost at time of acquisition (Part 2, Column 8) .....	
	2.2 Additional investment made after acquisition (Part 2, Column 9) .....	
3.	Capitalized deferred interest and other:	
	3.1 Totals, Part 1, Column 16 .....	
	3.2 Totals, Part 3, Column 12 .....	
4.	Accrual of discount .....	
5.	Unrealized valuation increase (decrease):	
	5.1 Totals, Part 1, Column 13 .....	
	5.2 Totals, Part 3, Column 9 .....	
6.	Total gain (loss) on disposals, Part 3, Column 19 .....	
7.	Deduct amounts received on disposals, Part 3, Column 16 .....	
8.	Deduct amortization of premium and depreciation .....	
9.	Total foreign exchange change in book/adjusted carrying value:	
	9.1 Totals, Part 1, Column 17 .....	
	9.2 Totals, Part 3, Column 14 .....	
10.	Deduct current year's other than temporary impairment recognized:	
	10.1 Totals, Part 1, Column 15 .....	
	10.2 Totals, Part 3, Column 11 .....	
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	
12.	Deduct total nonadmitted amounts .....	
13.	Statement value at end of current period (Line 11 minus Line 12) .....	

**NONE**

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year .....	15,301,254
2.	Cost of bonds and stocks acquired, Part 3, Column 7 .....	4,720,868
3.	Accrual of discount .....	15,516
4.	Unrealized valuation increase (decrease):	
	4.1. Part 1, Column 12 .....	0
	4.2. Part 2, Section 1, Column 15 .....	
	4.3. Part 2, Section 2, Column 13 .....	
	4.4. Part 4, Column 11 .....	21,220
5.	Total gain (loss) on disposals, Part 4, Column 19 .....	4,138
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....	5,945,601
7.	Deduct amortization of premium .....	75,818
8.	Total foreign exchange change in book/adjusted carrying value:	
	8.1. Part 1, Column 15 .....	0
	8.2. Part 2, Section 1, Column 19 .....	
	8.3. Part 2, Section 2, Column 16 .....	
	8.4. Part 4, Column 15 .....	0
9.	Deduct current year's other than temporary impairment recognized:	
	9.1. Part 1, Column 14 .....	0
	9.2. Part 2, Section 1, Column 17 .....	
	9.3. Part 2, Section 2, Column 14 .....	
	9.4. Part 4, Column 13 .....	0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	14,041,577
11.	Deduct total nonadmitted amounts .....	0
12.	Statement value at end of current period (Line 10 minus Line 11) .....	14,041,577

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	6,668,307	6,674,030	6,724,166	6,322,167
	2. Canada .....	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	6,668,307	6,674,030	6,724,166	6,322,167
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	0	0	0	0
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
U.S. Special revenue and special assessment obligations and all non- guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	418,235	414,914	420,199	411,230
Industrial and Miscellaneous, Credit Tenant Loans and Hybrid Securities (unaffiliated)	8. United States .....	6,955,042	7,537,172	7,001,474	6,934,382
	9. Canada .....	0	0	0	0
	10. Other Countries	0	0	0	0
	11. Totals	6,955,042	7,537,172	7,001,474	6,934,382
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	14,041,584	14,626,116	14,145,839	13,667,779
<b>PREFERRED STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	14. United States .....	0	0	0	0
	15. Canada .....	0	0	0	0
	16. Other Countries	0	0	0	0
	17. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	0
	19. Total Preferred Stocks	0	0	0	0
<b>COMMON STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	20. United States .....	0	0	0	0
	21. Canada .....	0	0	0	0
	22. Other Countries	0	0	0	0
	23. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	24. Totals	0	0	0	0
	25. Total Common Stocks	0	0	0	0
	26. Total Stocks	0	0	0	0
	27. Total Bonds and Stocks	14,041,584	14,626,116	14,145,839	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments</b>											
1.1 Class 1	7,416,127	2,577,429	2,054,359	613,164	194	12,661,273	63.2	11,977,108	59.5	12,661,273	0
1.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
1.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
1.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
1.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	7,416,127	2,577,429	2,054,359	613,164	194	12,661,273	63.2	11,977,108	59.5	12,661,273	0
<b>2. All Other Governments</b>											
2.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>3. U.S. States, Territories and Possessions etc., Guaranteed</b>											
3.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
3.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 Class 1	111,128	25,739	281,368	0	0	418,235	2.1	652,041	3.2	418,235	0
5.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
5.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	111,128	25,739	281,368	0	0	418,235	2.1	652,041	3.2	418,235	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Industrial &amp; Miscellaneous (Unaffiliated)</b>											
6.1 Class 1	211,524	2,439,758	2,902,502	709,004	0	6,262,788	31.3	6,829,061	34.0	6,262,787	1
6.2 Class 2	0	306,310	300,239	0	85,706	692,255	3.5	577,544	2.9	692,254	1
6.3 Class 3	0	0	0	0	0	0	0.0	79,020	0.4	0	0
6.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
6.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	211,524	2,746,068	3,202,741	709,004	85,706	6,955,043	34.7	7,485,625	37.2	6,955,041	2
<b>7. Credit Tenant Loans</b>											
7.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
7.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
7.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
7.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
7.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
7.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>8. Hybrid Securities</b>											
8.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
8.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
8.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parent, Subsidiaries and Affiliates</b>											
9.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
9.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
9.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	(d) 7,738,779	5,042,926	5,238,229	1,322,168	194	19,342,296	96.5	XXX	XXX	19,342,295	1
10.2 Class 2	(d) 0	306,310	300,239	0	85,706	692,255	3.5	XXX	XXX	692,254	1
10.3 Class 3	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Class 6	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	7,738,779	5,349,236	5,538,468	1,322,168	85,900	20,034,551	100.0	XXX	XXX	20,034,549	2
10.8 Line 10.7 as a % of Col. 6	38.6	26.7	27.6	6.6	0.4	100.0	XXX	XXX	XXX	100.0	0.0
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	8,129,576	4,277,753	4,861,065	2,189,630	186	XXX	XXX	19,458,210	96.7	19,358,062	100,148
11.2 Class 2	0	0	492,070	0	85,474	XXX	XXX	577,544	2.9	577,544	0
11.3 Class 3	0	79,020	0	0	0	XXX	XXX	79,020	0.4	79,020	0
11.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Class 5	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Class 6	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	8,129,576	4,356,773	5,353,135	2,189,630	85,660	XXX	XXX	20,114,774	100.0	20,014,626	100,148
11.8 Line 11.7 as a % of Col. 8	40.4	21.7	26.6	10.9	0.4	XXX	XXX	100.0	XXX	99.5	0.5
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	7,738,779	5,042,925	5,238,229	1,322,169	194	19,342,296	96.5	19,358,062	96.2	19,342,296	XXX
12.2 Class 2	0	306,310	300,239	0	85,706	692,255	3.5	577,544	2.9	692,255	XXX
12.3 Class 3	0	0	0	0	0	0	0.0	79,020	0.4	0	XXX
12.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	7,738,779	5,349,235	5,538,468	1,322,169	85,900	20,034,551	100.0	20,014,626	99.5	20,034,551	XXX
12.8 Line 12.7 as a % of Col. 6	38.6	26.7	27.6	6.6	0.4	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	38.6	26.7	27.6	6.6	0.4	100.0	XXX	XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1	0	1	0	(1)	0	0	0.0	100,148	0.5	XXX	0
13.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	1	0	(1)	0	0	0.0	100,148	0.5	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes \$ 0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 0 current year, \$ 69,305 prior year of bonds with Z designations and \$ 34,282 , current year \$ 69,305 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5\* designations and \$ 0 , current year \$ 0 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the (SVO) in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 0 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments</b>											
1.1 Issuer Obligations	7,293,639	2,307,282	1,959,008	599,276	0	12,159,205	60.7	11,379,847	56.6	12,159,205	0
1.2 Single Class Mortgage-Backed /Asset Backed Securities	122,488	270,146	95,351	13,888	194	502,067	2.5	597,261	3.0	502,067	0
1.7 Totals	7,416,127	2,577,428	2,054,359	613,164	194	12,661,272	63.2	11,977,108	59.5	12,661,272	0
<b>2. All Other Governments</b>											
2.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>3. U.S. States, Territories and Possessions, Guaranteed</b>											
3.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
3.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed</b>											
5.1 Issuer Obligations	0	25,739	281,368	0	0	307,107	1.5	305,516	1.5	307,107	0
5.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined	111,128	0	0	0	0	111,128	0.6	346,525	1.7	111,128	0
5.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	111,128	25,739	281,368	0	0	418,235	2.1	652,041	3.2	418,235	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 1A - SECTION 2 (Continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Industrial and Miscellaneous</b>											
6.1 Issuer Obligations .....	198,327	2,727,917	3,199,805	709,004	85,706	6,920,759	34.5	7,416,320	36.9	6,920,760	(1)
6.2 Single Class Mortgage-Backed /Asset Backed Securities .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined .....	13,197	18,150	2,935	0	0	34,282	0.2	69,306	0.3	34,282	0
6.4 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
6.5 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	211,524	2,746,067	3,202,740	709,004	85,706	6,955,041	34.7	7,485,626	37.2	6,955,042	(1)
<b>7. Credit Tenant Loans</b>											
7.1 Issuer Obligations .....	0	0	0	0	0	0	0.0	0	0.0	0	0
7.2 Single Class Mortgage-Backed Securities .....	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>8. Hybrid Securities</b>											
8.1 Issuer Obligations .....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Single Class Mortgage-Backed /Asset Backed Securities .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
8.3 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
8.5 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parent, Subsidiaries and Affiliates</b>											
9.1 Issuer Obligations .....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Single Class Mortgage-Backed /Asset Backed Securities .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
9.5 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 1A - SECTION 2 (Continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations	7,491,966	5,060,938	5,440,181	1,308,280	85,706	19,387,071	96.8	.XXX	.XXX	19,387,072	(1)
10.2 Single Class Mortgage-Backed /Asset Backed Securities	122,488	270,146	95,351	13,888	194	502,067	2.5	.XXX	.XXX	502,067	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	124,325	18,150	2,935	0	0	145,410	0.7	.XXX	.XXX	145,410	0
10.4 Other	0	0	0	0	0	0	0.0	.XXX	.XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined	0	0	0	0	0	0	0.0	.XXX	.XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	.XXX	.XXX	0	0
10.7 Totals	7,738,779	5,349,234	5,538,467	1,322,168	85,900	20,034,548	100.0	.XXX	.XXX	20,034,549	(1)
10.8 Line 10.7 as a % of Col. 6	38.6	26.7	27.6	6.6	0.4	100.0	.XXX	.XXX	.XXX	100.0	0.0
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations	7,645,487	3,935,276	5,258,603	2,176,843	85,474	.XXX	.XXX	19,101,683	95.0	19,001,534	100,149
11.2 Single Class Mortgage-Backed /Asset Backed Securities	150,234	351,539	83,967	11,335	186	.XXX	.XXX	597,261	3.0	597,261	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined	333,856	69,957	10,566	1,452	0	.XXX	.XXX	415,831	2.1	415,831	0
11.4 Other	0	0	0	0	0	.XXX	.XXX	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined	0	0	0	0	0	.XXX	.XXX	0	0.0	0	0
11.6 Other	0	0	0	0	0	.XXX	.XXX	0	0.0	0	0
11.7 Totals	8,129,577	4,356,772	5,353,136	2,189,630	85,660	.XXX	.XXX	20,114,775	100.0	20,014,626	100,149
11.8 Line 11.7 as a % of Col. 8	40.4	21.7	26.6	10.9	0.4	.XXX	.XXX	100.0	.XXX	99.5	0.5
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations	7,491,966	5,060,938	5,440,182	1,308,281	85,706	19,387,073	96.8	19,001,534	94.5	19,387,073	.XXX
12.2 Single Class Mortgage-Backed /Asset Backed Securities	122,488	270,146	95,351	13,888	194	502,067	2.5	597,261	3.0	502,067	.XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined	124,325	18,150	2,935	0	0	145,410	0.7	415,831	2.1	145,410	.XXX
12.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	.XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	.XXX
12.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	.XXX
12.7 Totals	7,738,779	5,349,234	5,538,468	1,322,169	85,900	20,034,550	100.0	20,014,626	99.5	20,034,550	.XXX
12.8 Line 12.7 as a % of Col. 6	38.6	26.7	27.6	6.6	0.4	100.0	.XXX	.XXX	.XXX	100.0	.XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	38.6	26.7	27.6	6.6	0.4	100.0	.XXX	.XXX	.XXX	100.0	.XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations	0	0	(1)	(1)	0	(2)	0.0	100,149	0.5	.XXX	(2)
13.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	.XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined	0	0	0	0	0	0	0.0	0	0.0	.XXX	0
13.4 Other	0	0	0	0	0	0	0.0	0	0.0	.XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined	0	0	0	0	0	0	0.0	0	0.0	.XXX	0
13.6 Other	0	0	0	0	0	0	0.0	0	0.0	.XXX	0
13.7 Totals	0	0	(1)	(1)	0	(2)	0.0	100,149	0.5	.XXX	(2)
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	50.0	50.0	0.0	100.0	.XXX	.XXX	.XXX	.XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	.XXX	.XXX	.XXX	.XXX	0.0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE DA - VERIFICATION BETWEEN YEARS**

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year .....	4,313,545	4,313,545	0	0	0
2. Cost of short-term investments acquired .....	29,756,324	29,756,324	0	0	0
3. Accrual of discount .....	0	0	0	0	0
4. Unrealized valuation increase (decrease) .....	0	0	0	0	0
5. Total gain (loss) on disposals .....	0	0	0	0	0
6. Deduct consideration received on disposals .....	28,066,168	28,066,168	0	0	0
7. Deduct amortization of premium .....	10,731	10,731	0	0	0
8. Total foreign exchange change in book/adjusted carrying value .....	0	0	0	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0	0	0	0
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	5,992,970	5,992,970	0	0	0
11. Deduct total nonadmitted amounts .....	0	0	0	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	5,992,970	5,992,970	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: 0

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

**N O N E**

Schedule DB - Part B - Verification - Futures Contracts

**N O N E**

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

**N O N E**

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

**N O N E**

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of  
Derivatives

**N O N E**

**SCHEDULE E - VERIFICATION BETWEEN YEARS**

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year .....	499,974	499,974	0
2. Cost of cash equivalents acquired .....	0	0	0
3. Accrual of discount .....	1	1	0
4. Unrealized valuation increase (decrease) .....	0	0	0
5. Total gain (loss) on disposals .....	0	0	0
6. Deduct consideration received on disposals .....	499,975	499,975	0
7. Deduct amortization of premium .....	0	0	0
8. Total foreign exchange change in book/adjusted carrying value .....	0	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	0	0	0
11. Deduct total nonadmitted amounts .....	0	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule A - Part 1 - Real Estate Owned

**N O N E**

Schedule A - Part 2 - Real Estate Acquired and Additions Made

**N O N E**

Schedule A - Part 3 - Real Estate Disposed

**N O N E**

Schedule B - Part 1 - Mortgage Loans Owned

**N O N E**

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

**N O N E**

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

**N O N E**

Schedule BA - Part 1 - Other Long-Term Invested Assets Owned

**N O N E**

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made

**N O N E**

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	C o d e	F o r e i g n	B o n d C h a r	NAIC Des.	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Maturity
31331G-QJ-1	FFCB 4.50% 3/18/2019			1	1FE	200,800	100.8440	201,688	200,000	200,089	0	(405)	0	0	4.500	4.290	MS	2,575	9,000	03/16/2009	03/18/2019
31331Y-VR-8	FFCB 4.67% 2/27/2018				1FE	209,895	110.1250	220,250	200,000	200,000	0	(978)	0	0	4.670	4.001	FA	3,217	9,340	04/20/2009	02/27/2018
31331Q-PM-3	FFCB 4.97% 1/8/18				1FE	115,465	113.4690	113,469	100,000	114,627	0	(838)	0	0	4.970	2.671	JJ	2,388	0	07/21/2010	01/08/2018
31331L-3B-2	FFCB 5.7% 7/3/17				1FE	119,312	117.5940	117,594	100,000	118,179	0	(1,133)	0	0	5.700	2.640	JJ	2,818	0	07/21/2010	07/03/2017
31331X-07-0	FFCB 5.8% 12/30/26				1FE	601,125	114.9690	574,844	500,000	599,276	0	(1,849)	0	0	5.800	4.096	JD	0	14,500	07/29/2010	12/30/2026
3133XV-NT-4	FHLB 1.75% 12/14/12				1FE	102,112	101.9690	101,969	100,000	101,720	0	(392)	0	0	1.750	0.860	JD	83	875	07/19/2010	12/14/2012
3133XW-KV-0	FHLB 2.375% 3/14/14				1FE	103,671	103.2810	103,281	100,000	103,231	0	(440)	0	0	2.375	1.341	MS	706	1,188	07/20/2010	03/14/2014
3133XV-NU-1	FHLB 2.75% 12/12/14				1FE	104,424	104.6560	104,656	100,000	103,989	0	(435)	0	0	2.750	1.701	JD	145	1,375	07/20/2010	12/12/2014
313370-6K-9	FHLB 3.6% 7/21/20			1	1FE	500,695	98.8440	494,219	500,000	500,398	0	(297)	0	0	3.600	3.454	JJ	8,000	0	07/29/2010	07/21/2020
3133YS-R5-9	FHLB 3.75% 12/14/18				1FE	105,528	104.0000	104,000	100,000	105,267	0	(261)	0	0	3.750	3.001	JD	177	1,875	07/20/2010	12/14/2018
313370-DA-3	FHLB 4.05% 8/12/25			1	1FE	500,000	96.1250	480,625	500,000	500,000	0	0	0	0	4.050	4.050	FA	7,819	0	07/21/2010	08/12/2025
3133XT-B2-1	FHLB 4.3% 3/6/19				1FE	108,860	106.0310	106,031	100,000	108,457	0	(403)	0	0	4.300	3.121	MS	1,374	2,150	07/20/2010	03/06/2019
3133XZ-K1-1	FHLB 4.75% 12/16/16				1FE	113,811	111.8440	111,844	100,000	112,919	0	(892)	0	0	4.750	2.410	JD	198	2,375	07/21/2010	12/16/2016
3133XB-DM-4	FHLB 4.75% 2/13/15				1FE	222,520	111.8440	223,688	200,000	225,483	0	(3,505)	0	0	4.750	2.749	FA	3,589	9,500	12/18/2008	02/13/2015
3133XS-K2-2	FHLB 5.20% 9/12/2018			1	1FE	100,875	108.5940	108,594	100,000	100,502	0	(170)	0	0	5.200	4.999	MS	1,574	5,200	09/23/2008	09/12/2018
3133XD-VS-7	FHLB 5.25% 12/11/20				1FE	108,180	111.8130	111,813	100,000	107,217	0	(569)	0	0	5.250	4.348	JD	292	5,250	04/13/2009	12/11/2020
3133XL-JP-9	FHLB 5.5% 8/13/14				1FE	116,229	114.4060	114,406	100,000	114,488	0	(1,741)	0	0	5.500	1.380	FA	2,108	2,750	07/20/2010	08/13/2014
3133M9-T6-7	FHLB 7.00% 8/26/2019				1FE	247,760	127.8130	255,625	200,000	241,495	0	(3,917)	0	0	7.000	4.125	FA	4,861	14,000	05/18/2009	08/26/2019
3133A4-VJ-0	FHLBC 4.75% 1/18/11				1FE	105,575	100.1880	100,188	100,000	100,183	0	(3,843)	0	0	4.750	0.880	JJ	2,151	4,750	08/05/2009	01/18/2011
31398A-U3-4	FNMA 2.375% 7/28/15				1FE	102,491	101.4060	101,406	100,000	102,279	0	(212)	0	0	2.375	1.853	JJ	1,009	290	07/20/2010	07/28/2015
31398A-UJ-9	FNMA 2.875% 12/11/13				1FE	105,444	105.1250	105,125	100,000	104,735	0	(709)	0	0	2.875	1.233	JD	160	1,438	07/19/2010	12/11/2013
3136F9-4C-4	FNMA 3.275% 1/14/19				1FE	101,669	99.5630	99,563	100,000	101,592	0	(77)	0	0	3.275	3.050	JJ	1,519	0	07/21/2010	01/14/2019
3136F9-CD-3	FNMA 4.05% 3/18/13				1FE	108,255	107.0940	107,094	100,000	106,889	0	(1,366)	0	0	4.050	0.901	MS	1,159	2,025	07/21/2010	03/18/2013
31359M-SD-6	FNMA 4.6% 6/5/18				1FE	111,542	110.1560	110,156	100,000	110,955	0	(587)	0	0	4.600	2.947	JD	332	2,300	07/20/2010	06/05/2018
3137EA-CD-9	Freddie Mac 3% 7/28/17				1FE	105,922	105.2810	105,281	100,000	105,281	0	(641)	0	0	3.000	1.478	JJ	1,275	1,500	07/20/2010	07/28/2014
3137EA-AD-1	Freddie Mac 5.25% 4/18/16				1FE	116,833	114.3750	114,375	100,000	115,595	0	(1,238)	0	0	5.250	2.122	AO	1,065	2,625	07/20/2010	04/18/2016
3128X2-RL-1	Freddie Mac 5.35% 8/1/15				1FE	116,250	113.9330	113,933	100,000	114,877	0	(1,373)	0	0	5.350	1.942	FA	2,229	2,675	07/21/2010	08/01/2015
911759-KU-1	Housing Urban Development			1	1FE	515,000	96.0000	480,000	500,000	514,448	0	(552)	0	0	4.130	3.768	FA	9,178	0	07/21/2010	08/01/2025
912828-GF-1	US Treasury Note				1	255,120	104.7230	240,863	230,000	238,978	0	(8,204)	0	0	4.750	1.110	JJ	4,542	10,925	01/09/2009	01/31/2012
912828-GU-8	US Treasury Note	SD			1	121,756	106.1210	128,406	121,000	121,240	0	(161)	0	0	4.750	4.604	MN	489	5,748	08/10/2007	05/31/2012
912828-KN-9	US Treasury Note	SD			1	626,161	102.2970	644,471	630,000	627,400	0	747	0	0	1.875	2.004	AO	1,969	11,813	04/30/2009	04/30/2014
912828-NR-8	US Treasury Note	SD			1	46,230	103.0710	47,413	46,000	46,193	0	(37)	0	0	2.375	2.269	FA	368	546	03/01/2010	02/28/2015
0199999	U.S. Governments - Issuer Obligations					6,219,510	XXX	6,146,870	5,827,000	6,166,239	0	(36,478)	0	0	XXX	XXX	XXX	69,369	126,013	XXX	XXX
36202E-LJ-6	GNMA 11 Pool #3929				1FE	49,348	106.4990	53,288	50,036	49,403	0	(21)	0	0	5.000	5.297	MON	208	2,515	11/28/2007	12/20/2036
36241K-KV-9	GNMA Pool # 782108				1FE	113,104	108.2270	123,919	114,499	113,368	0	(122)	0	0	5.500	5.820	MON	525	6,297	07/13/2007	08/15/2021
36297A-KC-6	GNMA POOL#705991				1FE	342,204	105.8440	349,953	330,632	339,297	0	(1,003)	0	0	4.500	3.562	MON	1,240	14,942	02/13/2009	01/15/2024
0299999	U.S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities					504,656	XXX	527,160	495,167	502,068	0	(1,146)	0	0	XXX	XXX	XXX	1,973	23,754	XXX	XXX
0399999	Total - U.S. Government Bonds					6,724,166	XXX	6,674,030	6,322,167	6,668,307	0	(37,624)	0	0	XXX	XXX	XXX	71,342	149,767	XXX	XXX
1099999	Total - All Other Government Bonds					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
1799999	Total - U.S. States, Territories and Possessions Bonds					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
2499999	Total - U.S. Political Subdivisions Bonds					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
359900-LH-8	Fulton Cnty GA Dev Auth Rev				1FE	108,350	108.9730	108,973	100,000	107,107	0	(818)	0	0	6.600	5.368	MN	1,100	6,600	06/16/2009	11/01/2020
447025-KC-0	Huntsville Ala				1FE	200,000	95.8310	191,662	200,000	200,000	0	0	0	0	3.486	3.486	MS	2,072	0	09/01/2010	09/01/2020
2599999	U.S. Special Revenues - Issuer Obligations					308,350	XXX	300,635	300,000	307,107	0	(818)	0	0	XXX	XXX	XXX	3,172	6,600	XXX	XXX
383750-WC-9	GNR 2008-50 GA				1FE	91,413	103.3170	93,858	90,845	90,709	0	(297)	0	0	5.500	5.024	MON	416	5,019	06/02/2008	06/16/2038
38375P-Lo-2	GNR 2008-9 DE				1FE	20,436	100.1790	20,421	20,385	20,419	0	60	0	0	5.000	4.709	MON	85	1,019	02/15/2008	02/20/2038
2799999	U.S. Special Revenues - Defined Multi-Class Residential Mortgage-Backed Securities					111,849	XXX	114,279	111,230	111,128	0	(237)	0	0	XXX	XXX	XXX	501	6,038	XXX	XXX
3199999	Total - U.S. Special Revenues Bonds					420,199	XXX	414,914	411,230	418,235	0	(1,055)	0	0	XXX	XXX	XXX	3,673	12,638	XXX	XXX
002824-AT-7	Abbott Laboratories				1FE	108,722	115.5390	115,539	100,000	106,719	0	(1,084)	0	0	5.875	4.455	MN	751	5,875	02/13/2009	05/15/2016
025816-AI-9	American Express				1FE	97,533	110.1130	110,113	100,000	98,316	0	243	0	0	5.500	5.852	MS	1,665	5,500	07/16/2007	09/12/2016

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	C o d e	F o r e i g n	Bond Char	NAIC Des.	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Maturity
037411-AS-4	Apache Corporation				1FE	104,806	114.6130	114,613	100,000	103,513	0	(488)	0	0	5.625	4.945	JJ	2,594	5,625	03/26/2008	01/15/2017
039483-AM-4	Archer Daniels Midland				1FE	106,700	124.0300	124,030	100,000	106,289	0	(207)	0	0	7.500	6.851	MS	2,208	7,500	12/11/2008	03/15/2027
00206R-AJ-1	AT&T Inc.				1FE	98,686	110.7000	110,700	100,000	98,985	0	114	0	0	5.500	5.676	FA	2,292	5,500	03/25/2008	02/01/2018
63858S-AA-7	Bank of America Corp				1FE	127,462	117.5530	117,553	100,000	124,420	0	(1,107)	0	0	8.570	5.958	MN	1,095	8,570	02/06/2008	11/15/2024
064057-BD-3	Bank of New York Mellon				1FE	97,535	109.5230	109,523	100,000	98,200	0	206	0	0	5.500	5.820	JD	458	5,500	07/16/2007	12/01/2017
06406H-BE-8	Bank of NY Mellon				1FE	103,962	107.4430	107,443	100,000	101,623	0	(836)	0	0	4.950	4.023	MN	825	4,950	02/06/2008	11/01/2012
066365-BX-4	Bankers Trust				1FE	113,377	110.7580	110,758	100,000	108,815	0	(1,542)	0	0	7.500	5.418	MN	958	7,500	11/14/2007	11/15/2015
071813-AU-3	Baxter International Inc.				1FE	98,653	109.1250	109,125	100,000	99,134	0	181	0	0	4.625	4.855	MS	1,362	4,625	03/25/2008	03/15/2015
09247X-AC-5	Blackrock Inc.				1FE	104,000	113.2110	113,211	100,000	102,962	0	(353)	0	0	6.250	5.712	MS	1,840	6,250	11/20/2007	09/15/2017
097023-AH-8	Boeing Co.				1FE	127,297	128.7140	128,714	100,000	124,072	0	8,025	0	0	7.950	5.427	FA	3,003	7,950	02/06/2008	08/15/2024
10138M-AB-1	Bottling Group LLC				1FE	100,695	107.2640	107,264	100,000	100,329	0	(165)	0	0	4.625	4.440	MN	591	4,625	09/19/2008	11/15/2012
134429-AG-4	Campbell Soup Company				1FE	125,672	131.9740	131,974	100,000	120,967	0	(1,420)	0	0	8.875	6.109	MN	1,479	8,875	06/04/2007	05/01/2021
149123-BM-2	Caterpillar Inc.				1FE	99,527	115.1330	115,133	100,000	99,679	0	47	0	0	5.700	5.768	FA	2,153	5,700	07/16/2007	08/15/2016
17275R-AC-6	Cisco Systems Inc.				1FE	212,636	114.2650	228,530	200,000	209,623	0	(1,632)	0	0	5.500	4.443	FA	3,942	11,000	02/13/2009	02/22/2016
125720-AD-7	CME Group Inc.				1FE	202,844	111.5120	223,024	200,000	201,856	0	(536)	0	0	5.750	5.423	FA	4,344	11,500	02/05/2009	02/15/2014
191219-AQ-7	Coca Cola Enterprises				1FE	119,436	132.4930	132,493	100,000	116,328	0	(937)	0	0	8.000	6.035	MS	2,356	8,000	06/04/2007	09/15/2022
200339-CG-2	Comerica Bank				1FE	98,677	109.4570	109,457	100,000	99,041	0	132	0	0	5.750	5.945	MN	639	5,750	02/05/2008	11/21/2016
200340-AL-1	Comerica Inc				1FE	92,329	106.6970	106,697	100,000	95,114	0	958	0	0	4.800	6.100	MN	800	4,800	11/27/2007	05/01/2015
20449E-BT-2	Compass Bank				1FE	94,800	92.6900	92,690	100,000	95,765	0	332	0	0	5.500	6.106	AO	1,375	5,500	11/28/2007	04/01/2020
216871-AD-5	Cooper US Inc.				1FE	101,087	111.6350	111,635	100,000	100,705	0	(145)	0	0	5.450	5.263	AO	1,363	5,450	03/26/2008	04/01/2015
22160K-AC-9	Costco Wholesale Corp.				1FE	97,656	114.2130	114,213	100,000	98,350	0	215	0	0	5.500	5.821	MS	1,619	5,500	07/16/2007	03/15/2017
22541L-AM-5	Credit Suisse FB USA Inc.				1FE	97,439	108.9090	108,909	100,000	98,687	0	386	0	0	5.125	5.601	JJ	2,363	5,125	07/16/2007	01/15/2014
263534-BN-8	E.I. Dupont De Nemour				1FE	99,343	109.0040	109,004	100,000	99,588	0	111	0	0	4.875	5.011	AO	813	4,875	09/19/2008	04/30/2014
285661-AD-6	Electronic Data Systems				1FE	105,549	111.6550	111,655	100,000	103,411	0	(1,216)	0	0	6.000	4.585	FA	2,500	6,000	03/17/2009	08/01/2013
532457-AN-8	Eli Lilly & Co.				1FE	105,897	117.7150	117,715	100,000	103,817	0	(643)	0	0	6.570	5.682	JJ	3,285	6,570	07/16/2007	01/01/2016
316773-CF-5	Fifth Third Bancorp				2FE	99,521	102.0320	102,032	100,000	99,652	0	47	0	0	5.450	5.519	JJ	2,513	5,450	02/05/2008	01/15/2017
302570-BC-9	FPL Group Capital Inc.				2FE	117,375	120.8420	120,842	100,000	113,143	0	(2,294)	0	0	7.875	4.859	JD	3,350	7,875	02/13/2009	12/15/2015
369550-AK-4	General Dynamics Corp				1FE	93,624	107.2050	107,205	100,000	97,158	0	1,091	0	0	4.250	5.544	MN	543	4,250	07/16/2007	05/15/2013
36962G-3U-6	General Electric Capital Corp				1FE	90,489	110.6730	110,673	100,000	92,216	0	788	0	0	5.625	7.000	MN	938	5,625	09/17/2008	05/01/2018
36962G-M7-6	General Electric Capital Corp				1FE	100,448	100.4400	100,440	100,000	97,995	0	2,204	0	0	0.464	2.762	FI/AN	50	521	01/19/2006	11/21/2011
37247X-AL-6	Genworth Global Fnd 2007-C				1FE	100,430	102.5080	102,508	100,000	100,151	0	(104)	0	0	5.250	5.134	MN	671	5,250	03/11/2008	05/15/2012
40621P-AB-5	Halliburton Company				1FE	114,030	120.8170	120,817	100,000	110,443	0	(1,334)	0	0	7.500	5.560	FA	3,138	7,500	03/04/2008	05/12/2017
459200-GM-7	IBM Corp				1FE	118,232	127.5580	127,558	100,000	115,355	0	(1,562)	0	0	7.625	5.203	AO	1,610	7,625	02/13/2009	10/15/2018
45905A-DE-5	International Bank Recon & Devel				1FE	110,004	38.2910	114,873	300,000	116,928	0	5,794	0	0	0.000	5.147	N/A	0	0	10/19/2009	07/15/2029
459200-AL-5	International Business Machines				1FE	108,697	114.9130	114,913	100,000	104,914	0	(1,826)	0	0	7.500	5.339	JD	333	7,500	11/13/2008	06/15/2013
478160-AM-6	Johnson & Johnson				1FE	104,809	106.1540	106,154	100,000	102,804	0	(1,132)	0	0	3.800	2.574	MN	486	3,800	03/17/2009	05/15/2013
49327X-AB-6	Key Bank NA				2FE	97,201	104.5000	104,500	100,000	98,060	0	312	0	0	5.450	5.890	MS	1,605	5,450	02/05/2008	03/03/2016
548661-CH-8	Lowe's Companies Inc.				1FE	94,954	111.3870	111,387	100,000	96,786	0	567	0	0	5.000	5.778	AO	1,056	5,000	07/16/2007	10/15/2015
58013M-EE-0	McDonald's Corp				1FE	100,681	113.9130	113,913	100,000	100,534	0	(60)	0	0	5.350	5.260	MS	1,783	5,350	03/11/2008	03/01/2018
585055-AH-9	Medtronic Inc.				1FE	98,476	110.7530	110,753	100,000	98,980	0	188	0	0	4.750	4.996	MS	1,399	4,750	03/11/2008	09/15/2015
589331-AH-0	Merk & Co Inc				1FE	104,838	107.3960	107,396	100,000	102,697	0	(1,211)	0	0	4.375	3.053	FA	1,653	4,375	03/17/2009	02/15/2013
59156R-AH-9	Mettlife Inc.				1FE	102,000	116.8120	116,812	100,000	101,634	0	(161)	0	0	6.817	6.541	FA	2,575	6,817	08/15/2008	08/15/2018
617446-V7-1	Morgan Stanley				1FE	102,081	108.0870	108,087	100,000	101,551	0	(181)	0	0	6.250	5.968	FA	2,135	6,250	11/20/2007	08/28/2017
637432-LM-5	National Rural Utilities Corp				1FE	97,000	109.7510	109,751	100,000	98,276	0	619	0	0	5.500	6.256	JJ	2,750	5,500	11/13/2008	07/01/2013
670346-AE-5	Nucor Corp				1FE	101,430	106.5070	106,507	100,000	100,589	0	(316)	0	0	4.875	4.522	AO	1,219	4,875	03/24/2008	10/01/2012
74005P-AG-7	Paxair Inc				1FE	105,435	110.8150	110,815	100,000	103,853	0	(899)	0	0	5.250	4.163	MN	671	5,250	03/17/2009	11/15/2014
72447X-AC-1	Pitney Bowes Inc.				1FE	105,174	105.7680	105,768	100,000	104,219	0	(518)	0	0	5.750	5.002	MS	1,693	5,750	02/12/2009	09/15/2017
693476-BB-8	PNC Funding Corp				1FE	100,537	105.3020	105,302	100,000	100,392	0	(53)	0	0	5.625	5.548	FA	2,344	5,625	02/06/2008	02/01/2017
744320-AH-8	Prudential Financial Inc				2FE	85,047	95.7480	95,748	100,000	85,706	0	231	0	0	5.400	6.584	JD	270	5,400	12/18/2007	06/13/2035
744320-AG-0	Prudential Financial Inc.				2FE	94,542	106.2340	106,234	100,000	96,505	0	673	0	0	4.750	5.649	JD	238	4,750	11/29/2007	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	C o d e	F o r e i g n	Bond Char	NAIC Des.	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Maturity
913017-AR-0	United Technologies Corp				.1FE	268,260	.136.1560	272,312	200,000	258,656	.0	(5,198)	.0	.0	.875	4.781	MN	2,268	17,750	02/12/2009	11/15/2019
918204-AS-7	VF Corp				.1FE	99,606	.112.2870	112,287	100,000	99,699	.0	35	.0	.0	5.950	6.004	MN	992	5,950	03/11/2008	11/01/2017
929903-CH-3	Wachovia Corporation				.1FE	100,430	.109.2110	109,211	100,000	100,287	.0	(41)	.0	.0	5.625	5.566	AO	1,188	5,625	04/05/2007	10/15/2016
959802-AB-5	Western Union Co.				.1FE	100,180	.111.7010	111,701	100,000	100,130	.0	(18)	.0	.0	5.930	5.903	AO	1,483	5,930	02/22/2008	10/01/2016
983024-AE-0	Wyeth				.1FE	104,626	.110.5330	110,533	100,000	103,041	.0	(901)	.0	.0	5.500	4.434	FA	2,292	5,500	03/17/2009	02/01/2014
3299999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					6,967,178	XXX	7,501,978	6,900,000	6,920,757	0	(8,220)	0	0	XXX	XXX	XXX	100,807	384,438	XXX	XXX
17311A-AD-7	CMIS 2006-7 2A1				.12*	32,368	.102.5110	33,264	32,449	32,356	.0	(8)	.0	.0	5.500	5.461	MON	149	1,784	01/16/2007	12/25/2021
94985C-AB-1	WFMS 2006-17 A2				.17*	1,927	.99.8730	1,930	1,933	1,926	.0	0	.0	.0	5.500	5.456	MON	9	108	01/11/2007	11/25/2021
3499999	Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities					34,295	XXX	35,194	34,382	34,282	0	(8)	0	0	XXX	XXX	XXX	158	1,892	XXX	XXX
3899999	Total - Industrial and Miscellaneous (Unaffiliated) Bonds					7,001,473	XXX	7,537,172	6,934,382	6,955,039	0	(8,228)	0	0	XXX	XXX	XXX	100,965	386,330	XXX	XXX
4199999	Total - Credit Tenant Loans					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
4899999	Total - Hybrid Securities					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
5599999	Total - Parent, Subsidiaries and Affiliates Bonds					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
7799999	Total - Issuer Obligations					13,495,038	XXX	13,949,483	13,027,000	13,394,103	0	(45,516)	0	0	XXX	XXX	XXX	173,348	517,051	XXX	XXX
7899999	Total - Single Class Mortgage-Backed/Asset-Backed Securities					504,656	XXX	527,160	495,167	502,068	0	(1,146)	0	0	XXX	XXX	XXX	1,973	23,754	XXX	XXX
7999999	Total - Defined Multi-Class Residential Mortgage-Backed Securities					146,144	XXX	149,473	145,612	145,410	0	(245)	0	0	XXX	XXX	XXX	659	7,930	XXX	XXX
8099999	Total - Other Multi-Class Residential Mortgage-Backed Securities					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
8199999	Total - Defined Multi-Class Commercial Mortgage-Backed Securities					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
8299999	Total - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
8399999	Total Bonds					14,145,838	XXX	14,626,116	13,667,779	14,041,581	0	(46,907)	0	0	XXX	XXX	XXX	175,980	548,735	XXX	XXX

E10.2

Schedule D - Part 2 - Section 1 - Preferred Stocks Owned

**N O N E**

Schedule D - Part 2 - Section 2 - Common Stocks Owned

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 3**

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
31331Q-PW-3	FFCB 4.97% 1/8/18		07/21/2010	Suntrust Capital Markets		115,465	100,000	193
31331L-3B-2	FFCB 5.7% 7/3/17		07/21/2010	Clarke GX & Co.		119,312	100,000	301
31331X-Q7-0	FFCB 5.8% 12/30/26		07/29/2010	Suntrust Capital Markets		601,125	500,000	2,417
3133XV-NT-4	FHLB 1.75% 12/14/12		07/19/2010	Clarke GX & Co.		102,112	100,000	175
3133XW-KV-0	FHLB 2.375% 3/14/14		07/20/2010	Morgan Keegan		103,671	100,000	838
3133XV-NJ-1	FHLB 2.75% 12/12/14		07/20/2010	Clarke GX & Co.		104,424	100,000	298
313370-6K-9	FHLB 3.6% 7/21/20		07/29/2010	Morgan Keegan		500,695	500,000	700
3133XS-RS-9	FHLB 3.75% 12/14/18		07/20/2010	Morgan Keegan		105,528	100,000	385
313370-DA-3	FHLB 4.05% 8/12/25		07/21/2010	Suntrust Capital Markets		500,000	500,000	0
3133XT-B2-1	FHLB 4.3% 3/6/19		07/20/2010	Morgan Keegan		108,860	100,000	1,613
3133XH-ZK-1	FHLB 4.75% 12/16/16		07/21/2010	Morgan Keegan		113,811	100,000	475
3133XL-JP-9	FHLB 5.5% 8/13/14		07/20/2010	Morgan Keegan		116,229	100,000	2,414
31398A-US-4	FNMA 2.375% 7/28/15		07/20/2010	Morgan Keegan		102,491	100,000	244
31398A-UJ-9	FNMA 2.875% 12/11/13		07/19/2010	Morgan Keegan		105,444	100,000	311
3136F9-4C-4	FNMA 3.275% 1/14/19		07/21/2010	Morgan Keegan		101,669	100,000	73
3136F9-CD-3	FNMA 4.05% 3/18/13		07/21/2010	Suntrust Capital Markets		108,255	100,000	1,395
31359M-SD-6	FNMA 4.6% 6/5/18		07/20/2010	Clarke GX & Co.		111,542	100,000	588
3137EA-CD-9	Freddie Mac 3% 7/28/17		07/20/2010	Morgan Keegan		105,922	100,000	1,442
3137EA-AD-1	Freddie Mac 5.25% 4/18/16		07/20/2010	Morgan Keegan		116,833	100,000	1,356
3128X2-RL-1	Freddie Mac 5.35% 8/1/15		07/21/2010	Suntrust Capital Markets		116,250	100,000	2,541
911759-KU-1	Housing Urban Development		07/21/2010	Morgan Keegan		515,000	500,000	287
912828-MR-8	US Treasury Note		03/01/2010	Morgan Keegan		46,230	46,000	3
<b>0399999. Bonds - U.S. Governments</b>						<b>4,020,868</b>	<b>3,746,000</b>	<b>18,049</b>
447025-KC-0	Huntsville Ala		09/01/2010	Morgan Keegan		200,000	200,000	0
<b>3199999. Bonds - U.S. Special Revenues</b>						<b>200,000</b>	<b>200,000</b>	<b>0</b>
<b>8399997. Total - Bonds - Part 3</b>						<b>4,220,868</b>	<b>3,946,000</b>	<b>18,049</b>
<b>8399998. Total - Bonds - Part 5</b>						<b>500,000</b>	<b>500,000</b>	<b>0</b>
<b>8399999. Total - Bonds</b>						<b>4,720,868</b>	<b>4,446,000</b>	<b>18,049</b>
<b>8999997. Total - Preferred Stocks - Part 3</b>						<b>0</b>	<b>XXX</b>	<b>0</b>
<b>8999998. Total - Preferred Stocks - Part 5</b>						<b>0</b>	<b>XXX</b>	<b>0</b>
<b>8999999. Total - Preferred Stocks</b>						<b>0</b>	<b>XXX</b>	<b>0</b>
<b>9799997. Total - Common Stocks - Part 3</b>						<b>0</b>	<b>XXX</b>	<b>0</b>
<b>9799998. Total - Common Stocks - Part 5</b>						<b>0</b>	<b>XXX</b>	<b>0</b>
<b>9799999. Total - Common Stocks</b>						<b>0</b>	<b>XXX</b>	<b>0</b>
<b>9899999. Total - Preferred and Common Stocks</b>						<b>0</b>	<b>XXX</b>	<b>0</b>
<b>9999999 - Totals</b>						<b>4,720,868</b>	<b>XXX</b>	<b>18,049</b>



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 4**

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	
										11	12	13	14	15							
CUSIP Identi- fication	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Con- sideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ Decrease	Current Year's (Amor- tization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/ Adjusted Carrying Value (11+12-13)	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	
9899999. Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9999999 - Totals						5,945,601	XXX	5,960,271	5,433,639	21,220	(13,396)	0	7,824	0	5,941,463	0	4,138	4,138	191,648	XXX	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 5**

Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 For- eign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stock)	9 Actual Cost	10 Consid- eration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amort- ization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in Book/ Adjusted Carrying Valu (12 + 13 - 14)	16 Total Foreign Exchange Change in Book/ Adjusted Carrying Value					
313370-DU-9	FHLB 3.75% 8/4/22		07/21/2010	Suntrust Capital Markets	11/04/2010	CALLED @ 100.0000000	500,000	500,000	500,000	500,000	0	0	0	0	0	0	0	0	4,688	0
0399999	Bonds - U.S. Governments						500,000	500,000	500,000	500,000	0	0	0	0	0	0	0	0	4,688	0
8399998	Total - Bonds						500,000	500,000	500,000	500,000	0	0	0	0	0	0	0	0	4,688	0
8999998	Total - Preferred Stocks						0	0	0	0	0	0	0	0	0	0	0	0	0	0
9799998	Total - Common Stocks						0	0	0	0	0	0	0	0	0	0	0	0	0	0
9899999	Total - Preferred and Common Stocks						0	0	0	0	0	0	0	0	0	0	0	0	0	0
9999999	Totals						500,000	500,000	500,000	500,000	0	0	0	0	0	0	0	0	4,688	0

Schedule D-Part 6-Section 1-Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

**N O N E**

Schedule D - Part 6 - Section 2

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE DA - PART 1**

Showing All SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change in Book/Adjusted Carrying Value				13	14	Interest					21	
		3	4					9	10	11	12			15	16	17	18	19		20
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest
	FHLMC Discount Note			07/20/2010	Morgan Keegan	06/21/2011	398,697	0	0	0	0	400,000	398,697	635	0	0.000	0.350	N/A	0	0
0199999	U.S. Governments - Issuer Obligations						398,697	0	0	0	0	400,000	398,697	635	0	XXX	XXX	XXX	0	0
0399999	Total - U.S. Government Bonds						398,697	0	0	0	0	400,000	398,697	635	0	XXX	XXX	XXX	0	0
1099999	Total - All Other Government Bonds						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
1799999	Total - U.S. States, Territories and Possessions Bonds						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
2499999	Total - U.S. Political Subdivisions of States, Territories and Possessions Bonds						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
3199999	Total - U.S. Special Revenues Bonds						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
3899999	Total - Industrial and Miscellaneous Bonds (Unaffiliated)						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
4199999	Total - Credit Tenant Loans						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
4899999	Total - Hybrid Securities						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
5599999	Total - Parent, Subsidiaries and Affiliates Bonds						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
7799999	Total - Issuer Obligations						398,697	0	0	0	0	400,000	398,697	635	0	XXX	XXX	XXX	0	0
7899999	Total - Single Class Mortgage-Backed/Asset-Backed Securities						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
7999999	Total - Defined Multi-Class Residential Mortgage-Backed Securities						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
8099999	Total - Other Multi-Class Residential Mortgage-Backed Securities						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
8199999	Total - Defined Multi-Class Commercial Mortgage-Backed Securities						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
8299999	Total - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
8399999	Total Bonds						398,697	0	0	0	0	400,000	398,697	635	0	XXX	XXX	XXX	0	0
8699999	Total - Parent, Subsidiaries and Affiliates						0	0	0	0	0	XXX	0	0	0	XXX	XXX	XXX	0	0
261908-40-4	Dreyfus Treasury Cash Management			12/31/2010	Morgan Keegan	XXX	5,585,102	0	0	0	0	0	5,585,102	0	0	0.000	0.000		13	0
94975H-29-6	Wells Fargo Adv Treasury Plus MMF			12/31/2010	Wells Fargo	XXX	9,170	0	0	0	0	0	9,170	0	0	0.000	0.000		1	0
8899999	Exempt Money Market Mutual Funds						5,594,272	0	0	0	0	XXX	5,594,272	0	0	XXX	XXX	XXX	14	0
9199999	Totals						5,992,969	0	0	0	0	XXX	5,992,969	635	0	XXX	XXX	XXX	14	0

E17

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

**N O N E**

Schedule DB - Part A - Section 2 - Options, Caps, Floors, Collars, Swaps and Forwards Terminated

**N O N E**

Schedule DB - Part B - Section 1 - Futures Contracts Open

**N O N E**

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

**N O N E**

Schedule DB - Part B - Section 2 - Futures Contracts Terminated

**N O N E**

Schedule DB - Part B - Section 2B - Brokers with whom cash deposits have been made

**N O N E**

Schedule DB - Part D - Counterparty Exposure for Derivative Instruments Open

**N O N E**

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

**N O N E**

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

**N O N E**



**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned December 31 of Current Year

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

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR	B Statutory Deposit	627,400	644,323	0	
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM					
33. New York	NY					
34. North Carolina	NC					
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX	B Statutory Deposit	167,433	175,787	0	
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. U.S. Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Alien and Other	OT	XXX	0	0	0	0
59. Subtotal	XXX	XXX	794,833	820,110	0	0
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898)(Line 58 above)	XXX	XXX	0	0	0	0

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