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HEALTH QUARTERLY STATEMENT

As of September 30, 2006

of the Condition and Affairs of the

HealthLink HMO, Inc.

NAIC Group Code.....671, 671 (Current Period) (Prior Period) NAIC Company Code..... 96475 Employer's ID Number..... 43-1616135

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

Licensed as Business Type Health Maintenance Organization Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized..... July 29, 1992 Commenced Business..... January 14, 1993

Statutory Home Office	12443 Olive Boulevard….. St. Louis ..... MO ..... 63141 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	1831 Chestnut Street….. St. Louis ..... MO ..... 63103-2275 *(Street and Number) (City or Town, State and Zip Code)*	314-923-4444 *(Area Code) (Telephone Number)*
Mail Address	6775 W Washington Street….. Milwaukee ..... WI ..... 53214 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	6775 W Washington Street….. Milwaukee ..... WI ..... 53214 *(Street and Number) (City or Town, State and Zip Code)*	414-459-6833 *(Area Code) (Telephone Number)*
Internet Website Address	www.healthlink.com	
Statutory Statement Contact	Brenda J Buss *(Name)*	414-459-6833 *(Area Code) (Telephone Number) (Extension)*
	Brenda.Buss@bcbswi.com *(E-Mail Address)*	414-459-6500 *(Fax Number)*
Policyowner Relations Contact	12443 Olive Boulevard….. St. Louis ..... MO ..... 63141 *(Street and Number) (City or Town, State and Zip Code)*	314-989-6032 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

Name	Title	Name	Title
1. David Wilson Fields #	President	2. Nancy Louise Purcell	Secretary
3. Robert David Kretschmer	Treasurer	4.	

OTHER

David Michael Henley Assistant Secretary

DIRECTORS OR TRUSTEES

David Charles Colby Angela Rose Fick-Braly David Wilson Fields #

State of..... Missouri
County of..... St Louis

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

(Signature)	(Signature)	(Signature)
David Wilson Fields	Nancy Louise Purcell	Robert David Kretschmer
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary	Treasurer
(Title)	(Title)	(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	5,677,720		5,677,720	1,190,875
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 $.....0 encumbrances)			0	
5. Cash ($.....296,002), cash equivalents ($.....0) and short-term investments ($.....15,380,436)	15,676,438		15,676,438	10,899,592
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets			0	
8. Receivables for securities			0	
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	21,354,158	0	21,354,158	12,090,467
11. Title Plants less $.....0 charged off (for Title insurers only)			0	
12. Investment income due and accrued	92,105		92,105	14,604
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	87,992		87,992	219,898
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
13.3 Accrued retrospective premiums			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	
14.2 Funds held by or deposited with reinsured companies			0	
14.3 Other amounts receivable under reinsurance contracts			0	
15. Amounts receivable relating to uninsured plans	1,040,785	21,639	1,019,146	
16.1 Current federal and foreign income tax recoverable and interest thereon			0	82,299
16.2 Net deferred tax asset	855,701	371,623	484,078	147,623
17. Guaranty funds receivable or on deposit			0	
18. Electronic data processing equipment and software			0	
19. Furniture and equipment, including health care delivery assets ($.....0)			0	
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	
21. Receivables from parent, subsidiaries and affiliates	1,378,801	916,943	461,858	716,815
22. Health care ($.....29,854) and other amounts receivable	29,854	29,854	0	25,401
23. Aggregate write-ins for other than invested assets	546,047	311,969	234,078	2,098,152
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	25,385,443	1,652,028	23,733,415	15,395,259
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	25,385,443	1,652,028	23,733,415	15,395,259

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. Medical Claims Receivable			0	1,841,892
2302. Provider Admin Fee Receivable	545,648	311,570	234,078	256,260
2303. Prepaid Expenses	399	399	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)	546,047	311,969	234,078	2,098,152

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)			0	132,893
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	647,110		647,110	
8. Premiums received in advance			0	
9. General expenses due or accrued	596,505		596,505	206,779
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	445,899		445,899	
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 $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	663,108		663,108	38,695
16. Payable for securities			0	
17. Funds held under reinsurance treaties with ($.....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 plans	243,931		243,931	
21. Aggregate write-ins for other liabilities (including $.....0 current)	48,831	0	48,831	265,755
22. Total liabilities (Lines 1 to 21)	2,645,384	0	2,645,384	644,122
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	1,000	1,000
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	2,499,000	2,499,000
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	18,588,031	12,251,137
30. Less treasury stock, at cost:				
30.1 .....0.000 shares common (value included in Line 24 $.....0)	XXX	XXX		
30.2 .....0.000 shares preferred (value included in Line 25 $.....0)	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	21,088,031	14,751,137
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	23,733,415	15,395,259

DETAILS OF WRITE-INS

2101. Medical Claims Payable			0	249,596
2102. Other Payables			0	16,159
2103. Escheat Liability	48,831		48,831	
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)	48,831	0	48,831	265,755
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.				
2802.				
2803.				
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	69,062	55,764
2. Net premium income (including $.....0 non-health premium income)	XXX	1,445,570	1,814,901
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	12,976,106	11,006,516
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	14,421,676	12,821,417
Hospital and Medical:			
9. Hospital/medical benefits		390,536	680,457
10. Other professional services		221,558	250,396
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		1,102,057	1,078,625
14. Aggregate write-ins for other hospital and medical	0	585,782	0
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)	0	2,299,933	2,009,478
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)	0	2,299,933	2,009,478
19. Non-health claims (net)			
20. Claims adjustment expenses, including $.....215,496 cost containment expenses		215,496	30,157
21. General administrative expenses		1,738,286	1,682,962
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	4,253,715	3,722,597
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	10,167,961	9,098,820
25. Net investment income earned		559,652	563,396
26. Net realized capital gains (losses) less capital gains tax of $.....0			
27. Net investment gains or (losses) (Lines 25 plus 26)	0	559,652	563,396
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) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	10,727,613	9,662,216
31. Federal and foreign income taxes incurred	XXX	3,950,914	3,404,590
32. Net income (loss) (Lines 30 minus 31)	XXX	6,776,699	6,257,626

DETAILS OF WRITE-INS

0601. Provider Admin Fees	XXX	196,523	355,173
0602. Revenue ASO Business	XXX	12,779,583	10,651,343
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	12,976,106	11,006,516
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. Litigation Expense		585,782	
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	585,782	0
2901.			
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 To Date	3 Prior Year
33. Capital and surplus prior reporting year	14,751,137	25,989,015	25,989,015
34. Net income or (loss) from Line 32	6,776,699	6,257,626	8,942,720
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of $.....0			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	469,121	(80,344)	44,728
39. Change in nonadmitted assets	(908,926)	(186,825)	(225,326)
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			(20,000,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	6,336,894	5,990,457	(11,237,878)
49. Capital and surplus end of reporting period (Line 33 plus 48)	21,088,031	31,979,472	14,751,137

DETAILS OF WRITE-INS

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

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	1,577,476	2,476,151
2. Net investment income	480,569	855,171
3. Miscellaneous income	12,976,106	15,395,483
4. Total (Lines 1 through 3)	15,034,151	18,726,805
5. Benefit and loss related payments	1,785,716	2,769,284
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	2,577,834	1,993,947
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) $.....0 net tax on capital gains (losses)	3,422,716	4,463,572
10. Total (Lines 5 through 9)	7,786,266	9,226,803
11. Net cash from operations (Line 4 minus Line 10)	7,247,885	9,500,002
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	432,000	13,342,710
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		5,400
12.8 Total investment proceeds (Lines 12.1 to 12.7)	432,000	13,348,110
13. Cost of investments acquired (long-term only):		
13.1 Bonds	4,917,263	
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)	4,917,263	0
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(4,485,263)	13,348,110
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		20,000,000
16.6 Other cash provided (applied)	2,014,223	(969,221)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	2,014,223	(20,969,221)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	4,776,845	1,878,891
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	10,899,592	9,020,701
19.2 End of period (Line 18 plus Line 19.1)	15,676,437	10,899,592

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

20.0001		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at End of:													
1. Prior Year	10,219	52	10,167										
2. First Quarter	8,520	51	8,469										
3. Second Quarter	8,009	34	7,975										
4. Third Quarter	6,450	33	6,417										
5. Current Year	0												
6. Current Year Member Months	69,062	373	68,689										
Total Member Ambulatory Encounters for Period:													
7. Physician	21,502	111	21,391										
8. Non-Physician	4,267	22	4,245										
9. Total	25,769	133	25,636	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	1,142	6	1,136										
11. Number of Inpatient Admissions	344	2	342										
12. Health Premiums Written	1,445,570	7,807	1,437,763										
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	1,445,570	7,807	1,437,763										
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	1,785,716	10,215	1,775,501										
18. Amount Incurred for Provision of Health Care Services	2,299,933	9,811	2,290,122										

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	61,800	1,753,770	72,109	575,001	133,909	177,314
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan Premiums					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	61,800	1,753,770	72,109	575,001	133,909	177,314
10. Healthcare receivables (a)	1,016	28,838			1,016	44,421
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals	60,784	1,724,932	72,109	575,001	132,893	132,893

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

NOTES TO FINANCIAL STATEMENTS

For purposes of the quarterly interim financial information, it is presumed that the users of the interim financial information have read or have access to the Company's Annual Statement as of December 31, 2005. This presentation addresses only significant events occurring since the last Annual Statement.

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of HealthLink HMO, Inc. (the "Company") are presented on the basis of accounting practices prescribed or permitted by the State of Missouri Department of Insurance (the "DOI").

The DOI recognizes only statutory accounting practices prescribed or permitted by the DOI for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Missouri Insurance Law. The National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted accounting practices by the state of Missouri.

The DOI has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. The DOI has the right to permit other specific practices that deviate from prescribed practices. The Company employed no permitted practices in preparing the accompanying financial statements.

A reconciliation of the Company's capital and surplus as of September 30, 2006 and December 31, 2005 between NAIC SAP and practices prescribed by the DOI is shown below:

	September 30, 2006	December 31, 2005
Statutory Surplus, DOI basis	$21,088,031	$14,751,137
State Prescribed Practices:		
Non-admittance of amounts due from affiliates pursuant to the Missouri Revised Statutes 382.192.1 (1)	916,943	-
Statutory Surplus, NAIC SAP basis	$22,004,974	$14,751,137

For the nine months ended September 30, 2006 and the year ended December 31, 2005, there were no differences between the Company's statutory basis net income under NAIC SAP and practices prescribed by the DOI.

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

No change.

C. Accounting Policies

No change.

2. Accounting Changes and Corrections of Errors

A. Correction of Errors

None.

B. Cumulative Effect of Changes in Accounting Principles

None.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

No change.

6. Joint Ventures, Partnerships and Limited Liability Companies

No change.

7. Investment Income

No change.

NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments

Not applicable.

9. Income Taxes

No change.

10. Information Concerning Parent, Subsidiaries and Affiliates

A.-C. No change.

D. Amounts Due to or from Related Parties

At September 30, 2006, the Company reported $1,378,801 due from affiliates and $663,108 due to affiliates, respectively, in the accompanying balance sheets. Both the receivable and payable are current items generated in 2006 and will be settled in 2006 in accordance with the intercompany agreements. Of the amount due from affiliated companies, $916,943 was non-admitted in accordance with Missouri State Statutes (see Note 1A).

E.-J. No change.

11. Debt

Not applicable.

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

No change.

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

No change.

14. Contingencies

A.-C. No change.

D. All Other Contingencies

A number of managed care organizations, including the Company's ultimate parent WellPoint and its Blue Cross and Blue Shield affiliates and other health insurance subsidiaries, were part of purported class action lawsuits asserting various causes of action under federal and state law including violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO"). These lawsuits were consolidated to U. S. District Court for the Southern District of Florida, under Multi-District Litigation ("MDL") rules. The plaintiffs are doctors, osteopaths, other professional providers, and several state medical societies.

On July 11, 2005, WellPoint entered into a settlement agreement (the "Agreement") with representatives of more than 700,000 physicians nationwide to resolve certain of the MDL suits. Under the Agreement, WellPoint agreed to make cash payments to physicians, to a not-for-profit foundation whose mission is to promote higher quality health care and to enhance the delivery of care to the disadvantaged members of the public, and for legal fees to be determined by the court. WellPoint also agreed to implement and maintain a number of operational changes, such as standardizing the definition of medical necessity in physician contracts, creating a formalized Physician Advisory Committee and modifying some of its claims payment and physician contracting provisions. The Agreement was subject to, and conditioned upon, review and approval by the U.S. District Court for the Southern District of Florida. The court preliminarily approved the settlement in an order filed July 15, 2005. The hearing for final approval was held on December 2, 2005, in Miami, Florida. The Court issued a final order approving the settlement on December 22, 2005, and issued an amended final order approving the settlement on January 4, 2006. Appeals of the settlement initially filed by certain physicians have been resolved.

As a result of the Agreement, the Company recorded pre-tax benefit expense of $72,109 and general and administrative expense of $45,172 in 2005, which represented the Company's portion of the final settlement amount of the Agreement not previously accrued. Final cash payments under the Agreement totaling $107,914, including accrued interest, were made in October 2006.

15. Leases

No change.

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

Not applicable.

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

A.-B. Not applicable.

NOTES TO FINANCIAL STATEMENTS

C. Wash Sales

1. In the course of the Company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.

2. There were no wash sales involving securities with a NAIC designation of 3 or below or unrated.

18. Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

No change.

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

Not applicable.

20. September 11 Events

Not applicable.

21. Other Items

Not applicable.

22. Events Subsequent

Not applicable.

23. Reinsurance

No change.

24. Retrospectively Rated Contracts

Not applicable.

25. Change in Incurred Losses and Loss Adjustment Expenses

No change.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

No change.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No change.

31. Anticipated Salvage and Subrogation

Not applicable.

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

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

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No [ ]

2.2 If yes, date of change: 03/31/2006

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

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2004

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2004

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/23/2005

6.4 By what department or departments?

Missouri Department of Insurance

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

7.2 If yes, give full information:

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

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

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

8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

FINANCIAL

9.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

9.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. $ 461,713

INVESTMENT

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

10.2 If yes, explain:

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

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 0

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgages, Loans or Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
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	$ 0	$ 0

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
Mellon Financial Corporation	Pittsburgh, PA

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

1 Central Registration Depository	2 Name(s)	3 Address

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions: _____

SCHEDULE A - VERIFICATION

Real Estate

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

Mortgage Loans

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

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 assets 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

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,190,876	14,931,487
2. Cost of bonds and stocks acquired	4,917,263	
3. Accrual of discount	1,581	5,933
4. Increase (decrease) by adjustment		
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		(402,935)
7. Consideration for bonds and stocks disposed of	432,000	13,342,710
8. Amortization of premium		899
9. Book/adjusted carrying value, current period	5,677,720	1,190,876
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	5,677,720	1,190,876
12. Total nonadmitted amounts		
13. Statement value	5,677,720	1,190,876

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	17,602,688	66,915,068	63,488,147	28,546	18,199,908	17,602,688	21,058,156	4,672,765
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	17,602,688	66,915,068	63,488,147	28,546	18,199,908	17,602,688	21,058,156	4,672,765
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	17,602,688	66,915,068	63,488,147	28,546	18,199,908	17,602,688	21,058,156	4,672,765

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	15,380,436	XXX	15,380,436	35,248	

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	3,481,889	8,278,285
2. Cost of short-term investments acquired	105,907,049	119,264,964
3. Increase (decrease) by adjustment		
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	94,008,502	124,061,360
7. Book/adjusted carrying value, current period	15,380,436	3,481,889
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	15,380,436	3,481,889
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	15,380,436	3,481,889
12. Income collected during period	305,262	219,885
13. Income earned during period	305,262	219,885

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - 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	NO						
2.	Alaska AK	NO	NO						
3.	Arizona AZ	NO	NO						
4.	Arkansas AR	NO	YES	144,237					
5.	California CA	NO	NO						
6.	Colorado CO	NO	NO						
7.	Connecticut CT	NO	NO						
8.	Delaware DE	NO	NO						
9.	District of Columbia DC	NO	NO						
10.	Florida FL	NO	NO						
11.	Georgia GA	NO	NO						
12.	Hawaii HI	NO	NO						
13.	Idaho ID	NO	NO						
14.	Illinois IL	NO	YES						
15.	Indiana IN	NO	NO						
16.	Iowa IA	NO	NO						
17.	Kansas KS	NO	NO						
18.	Kentucky KY	NO	NO						
19.	Louisiana LA	NO	NO						
20.	Maine ME	NO	NO						
21.	Maryland MD	NO	NO						
22.	Massachusetts MA	NO	NO						
23.	Michigan MI	NO	NO						
24.	Minnesota MN	NO	NO						
25.	Mississippi MS	NO	NO						
26.	Missouri MO	NO	YES	1,301,333					
27.	Montana MT	NO	NO						
28.	Nebraska NE	NO	NO						
29.	Nevada NV	NO	NO						
30.	New Hampshire NH	NO	NO						
31.	New Jersey NJ	NO	NO						
32.	New Mexico NM	NO	NO						
33.	New York NY	NO	NO						
34.	North Carolina NC	NO	NO						
35.	North Dakota ND	NO	NO						
36.	Ohio OH	NO	NO						
37.	Oklahoma OK	NO	NO						
38.	Oregon OR	NO	NO						
39.	Pennsylvania PA	NO	NO						
40.	Rhode Island RI	NO	NO						
41.	South Carolina SC	NO	NO						
42.	South Dakota SD	NO	NO						
43.	Tennessee TN	NO	NO						
44.	Texas TX	NO	NO						
45.	Utah UT	NO	NO						
46.	Vermont VT	NO	NO						
47.	Virginia VA	NO	NO						
48.	Washington WA	NO	NO						
49.	West Virginia WV	NO	NO						
50.	Wisconsin WI	NO	NO						
51.	Wyoming WY	NO	NO						
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.	Northern Mariana Islands MP								
57.	Canada CN	NO	NO						
58.	Aggregate Other alien OT	XXX	XXX	0	0	0	0	0	0
59.	Subtotal	XXX	XXX	1,445,570	0	0	0	0	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX	XXX						
61.	Total (Direct Business)	XXX	(a) 3	1,445,570	0	0	0	0	0

DETAILS OF WRITE-INS

5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for line 58 from overflow page	0	0	0	0	0	0
5899.	Total (Lines 5801 thru 5803 plus 5898) (Line 58 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

NOT APPLICABLE - SEE GENERAL INTERROGATORY 3

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		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
Bank of America	Los Angeles, California					398,886	177,129	53,993	XXX
Union Planters Bank	St. Louis, Missouri					(3,920)	832,227	242,009	XXX
0199999. Total Open Depositories		XXX	XXX	0	0	394,966	1,009,356	296,002	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	394,966	1,009,356	296,002	XXX
0599999. Total Cash		XXX	XXX	0	0	394,966	1,009,356	296,002	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned at End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Gross Investment Income

NONE