* 9 5 4 4 2 2 0 0 7 2 0 1 0 0 1 0 1 *

HEALTH QUARTERLY STATEMENT

As of March 31, 2007

of the Condition and Affairs of the

HMO Partners, Inc

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

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

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

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

Statutory Home Office	320 West Capitol….. Little Rock ..... AR ..... 72203-8069 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	320 West Capitol….. Little Rock ..... AR ..... 72203-8069 *(Street and Number) (City or Town, State and Zip Code)*	501-221-1800 *(Area Code) (Telephone Number)*
Mail Address	320 West Capitol….. Little Rock ..... AR ..... 72203-8069 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(Street and Number) (City or Town, State and Zip Code)*	501-378-2000 *(Area Code) (Telephone Number)*
Internet Website Address	healthadvantage-hmo.com	
Statutory Statement Contact	Scott Bradley Winter *(Name)*	501-399-3951 *(Area Code) (Telephone Number) (Extension)*
	sbwinter@arkbluecross.com *(E-Mail Address)*	501-378-3258 *(Fax Number)*
Policyowner Relations Contact	320 West Capitol….. Little Rock ..... AR ..... 72203-8069 *(Street and Number) (City or Town, State and Zip Code)*	800-843-1329 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

Name	Title	Name	Title
1. David Frank Bridges	President	2. Steven James Short	Vice President/CFO
3. Scott Bradley Winter	Assistant Treasurer	4. Kathleen O'Dea Ryan	Vice President

OTHER

James Sterling Adamson Jr. MD	Chairman	Allen Frances Smith	Vice Chairman
Russell Doyne Harrington Jr.	Secretary	Robert Lee Shoptaw	Treasurer
James Robert Bailey	Vice President	Clement Wade Fox MD	Assistant Secretary

DIRECTORS OR TRUSTEES

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

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

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

(Signature)	(Signature)	(Signature)
David Frank Bridges	Steven James Short	Scott Bradley Winter
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Vice President/CFO	Assistant 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	43,294,991		43,294,991	42,778,646
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	14,503,399		14,503,399	14,542,108
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 $.....0 encumbrances)			0	
5. Cash ($.....11,390,424), cash equivalents ($.....0) and short-term investments ($.....18,492,440)	29,882,865		29,882,865	32,086,492
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)	87,681,255	0	87,681,255	89,407,246
11. Title Plants less $.....0 charged off (for Title insurers only)			0	
12. Investment income due and accrued	665,352		665,352	868,618
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	366,463		366,463	497,104
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
13.3 Accrued retrospective premiums			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	353,287		353,287	119,769
14.2 Funds held by or deposited with reinsured companies			0	
14.3 Other amounts receivable under reinsurance contracts			0	
15. Amounts receivable relating to uninsured plans	8,909,463	149,514	8,759,949	13,589,413
16.1 Current federal and foreign income tax recoverable and interest thereon	749,990		749,990	749,990
16.2 Net deferred tax asset			0	
17. Guaranty funds receivable or on deposit			0	
18. Electronic data processing equipment and software			0	
19. Furniture and equipment, including health care delivery assets ($.....0)			0	
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	
21. Receivables from parent, subsidiaries and affiliates	812,791		812,791	1,050,307
22. Health care ($.....743,126) and other amounts receivable	744,373	212,053	532,320	504,031
23. Aggregate write-ins for other than invested assets	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	100,282,974	361,567	99,921,407	106,786,478
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	100,282,974	361,567	99,921,407	106,786,478

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.			0	
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $.....4,695,109 reinsurance ceded)	10,714,029		10,714,029	13,998,123
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses	918,356		918,356	810,321
4. Aggregate health policy reserves			0	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	2,606,248		2,606,248	1,384,182
9. General expenses due or accrued			0	466,277
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	1,320,104		1,320,104	
10.2 Net deferred tax liability	1,927,492		1,927,492	2,025,678
11. Ceded reinsurance premiums payable	106,327		106,327	105,250
12. Amounts withheld or retained for the account of others	1,939,044		1,939,044	1,861,409
13. Remittances and items not allocated	823,038		823,038	126,458
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	3,946,882		3,946,882	5,552,335
16. Payable for securities	500,675		500,675	
17. Funds held under reinsurance treaties with ($.....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	7,328,480		7,328,480	13,940,938
21. Aggregate write-ins for other liabilities (including $.....0 current)	298,113	0	298,113	330,267
22. Total liabilities (Lines 1 to 21)	32,428,788	0	32,428,788	40,601,238
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	10,000	10,000
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	1,919,153	1,919,153
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	65,563,466	64,256,087
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	67,492,619	66,185,240
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	99,921,407	106,786,478

DETAILS OF WRITE-INS

2101. Unclaimed property	73,674		73,674	73,674
2102. Miscellaneous payables	224,439		224,439	256,593
2103.			0	
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	298,113	0	298,113	330,267
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	111,616	101,042
2. Net premium income (including $.....0 non-health premium income)	XXX	24,597,737	21,662,349
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	24,597,737	21,662,349
Hospital and Medical:			
9. Hospital/medical benefits		24,968,067	21,409,553
10. Other professional services			
11. Outside referrals		315,292	688,125
12. Emergency room and out-of-area		1,047,182	1,461,764
13. Prescription drugs		5,269,539	4,192,000
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)	0	31,600,080	27,751,442
Less:			
17. Net reinsurance recoveries		11,430,986	10,296,034
18. Total hospital and medical (Lines 16 minus 17)	0	20,169,094	17,455,408
19. Non-health claims (net)			
20. Claims adjustment expenses, including $.....1,160,579 cost containment expenses		1,740,869	1,340,178
21. General administrative expenses		1,172,890	707,227
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	23,082,853	19,502,813
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	1,514,884	2,159,536
25. Net investment income earned		869,124	696,792
26. Net realized capital gains (losses) less capital gains tax of $.....404,751		751,680	60,334
27. Net investment gains or (losses) (Lines 25 plus 26)	0	1,620,804	757,126
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	51,219	54,900
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	3,186,907	2,971,562
31. Federal and foreign income taxes incurred	XXX	919,803	1,021,924
32. Net income (loss) (Lines 30 minus 31)	XXX	2,267,104	1,949,638

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901. Licensing fee income		39,999	39,999
2902. Miscellaneous Income		11,220	14,901
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	51,219	54,900

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	66,185,240	56,582,470	56,582,470
34. Net income or (loss) from Line 32	2,267,104	1,949,638	9,747,146
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	(41,512)	395,869	555,067
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	75,834	15,956	25,551
39. Change in nonadmitted assets	(19,333)	(41,558)	187,824
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	(974,714)	(912,818)	(912,818)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	1,307,379	1,407,087	9,602,770
49. Capital and surplus end of reporting period (Line 33 plus 48)	67,492,619	57,989,557	66,185,240

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	25,951,521	89,880,337
2. Net investment income	1,136,852	3,744,907
3. Miscellaneous income		
4. Total (Lines 1 through 3)	27,088,373	93,625,244
5. Benefit and loss related payments	23,686,706	71,787,554
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	5,041,368	9,923,388
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $.....404,751 tax on capital gains (losses)	4,450	6,660,526
10. Total (Lines 5 through 9)	28,732,524	88,371,468
11. Net cash from operations (Line 4 minus Line 10)	(1,644,151)	5,253,776
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	950,000	5,701,570
12.2 Stocks	1,445,537	2,483,817
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		92,821
12.7 Miscellaneous proceeds	500,675	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,896,212	8,278,208
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,530,807	5,493,175
13.2 Stocks	368,146	1,040,008
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)	1,898,953	6,533,183
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)	997,259	1,745,025
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	974,714	912,818
16.6 Other cash provided (applied)	(582,021)	740,808
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,556,735)	(172,010)
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)	(2,203,627)	6,826,791
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	32,086,492	25,259,701
19.2 End of period (Line 18 plus Line 19.1)	29,882,865	32,086,492

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
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	57,522		57,522							
2. First Quarter	58,922		58,922							
3. Second Quarter	0									
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	175,718		175,718							
Total Member Ambulatory Encounters for Period:										
7. Physician	9,049		9,049							
8. Non-Physician	13,479		13,479							
9. Total	22,528	0	22,528	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	2,613		2,613							
11. Number of Inpatient Admissions	731		731							
12. Health Premiums Written (a)	40,345,952		40,345,952							
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	0									
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	34,851,259		34,851,259							
18. Amount Incurred for Provision of Health Care Services	31,600,079		31,600,079							

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....0

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0399999. Aggregate Accounts Not Individually Listed-Covered	2,681,691	172,860	30,992	32,723		2,918,266
0499999. Subtotals	2,681,691	172,860	30,992	32,723	0	2,918,266
0599999. Unreported Claims and Other Claim Reserves						10,193,731
0699999. Total Amounts Withheld						2,297,141
0799999. Total Claims Unpaid						15,409,138

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)	11,306,563	12,522,611	447,143	10,266,886	11,753,706	13,998,123
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)	11,306,563	12,522,611	447,143	10,266,886	11,753,706	13,998,123
10. Healthcare receivables (a)		375,987			0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals	11,306,563	12,146,624	447,143	10,266,886	11,753,706	13,998,123

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

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

When available, the Company utilizes net operating loss carry forwards to offset taxable income. At March 31, 2007, the Company had $0 of operating loss carry forwards.

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

2007	$1,228,000
2006	$4,785,000
2005	$ 609,000

The components of current income tax expense are as follows:

	2007	2006
Federal	$ 915,353	$ 4,426,680
Foreign	$ 4,450	10,526
Federal Income Tax on net capital gains	$ 404,751	$ 628,032
Utilization of capital loss carry-forwards	-	
Federal income tax incurred	$ 1,324,554	$ 5,065,238

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

	March 31, 2007	Effective Tax Rate
Provision computed at statutory rate	$ 1,257,080	35.0%
Dividends received deduction	$ (10,123)	-0.3%
Nondeductible expense	$ 4,695	0.1%
Other	$ (2,932)	-0.1%
Total	$ 1,248,720	34.8%

NOTES TO FINANCIAL STATEMENTS

Federal and foreign income taxes incurred	$ 1,324,554	36.9%
Change in net deferred incomes taxes	$ (75,833)	-2.1%
Total statutory incomes taxes	$ 1,248,721	34.8%

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

	March 31, 2007	December 31, 2006
Total of all deferred tax asset (admitted and nonadmitted)	$ 885,820	$ 812,338
Total of all deferred tax liabilities	2,813,312	2,838,017
Net deferred tax asset/(liability)	(1,927,492)	(2,025,679)
Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes		
Net admitted deferred tax asset/(liability)	(1,927,492)	(2,025,679)
Increase (decrease) in deferred tax assets nonadmitted	$ -	-

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

	March 31, 2007	December 31, 2006
Deferred Tax Assets:		
Tax basis discount on unpaid losses	$ 64,821	$ 93,811
Unearned premium discounting	182,438	96,893
Accrued deferred compensation	588,450	523,076
Bad debts	11,130	11,130
Depreciation		
Impairment of Assets	38,980	87,428
Total deferred tax assets	885,820	812,338
Total deferred tax assets non-admitted		
Admitted deferred tax assets	885,820	812,338
Deferred Tax Liabilities:		
Unrealized Capital Gains	2,805,058	2,827,411
Accrued dividends	8,254	10,606
Other		
Total deferred tax liabilities	2,813,312	2,838,017
Net admitted deferred tax asset/(liability)	(1,927,492)	(2,025,679)

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

	March 31, 2007	December 31, 2006	Change
Total deferred tax assets	$ 885,820	$ 812,338	$ 73,481
Total deferred tax liabilities	2,813,312	2,838,017	(24,705)
Net deferred tax asset (liability)	$ (1,927,492)	$(2,025,679)	$ 98,187
Tax effect of unrealized gains (losses)			(22,353)
Change in net deferred income tax			$ 75,833

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 15 - Leases

No significant change.

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

No significant change.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

C. **There was no sale, transfer, or servicing of Financial Assets or Extinguishments of Liabilities**

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

No significant change.

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

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - Anticipated Salvage and Subrogation

No significant change.

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 [ ] No [X]

2.2 If yes, date of change: .....

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

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

4.2 If yes, provide 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. 12/31/2005.....

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2002.....

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). 02/04/2004.....

6.4 By what department or departments?
Arkansas Insurance Department

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers: Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. $.....527,641

INVESTMENT

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

11.2 If yes, explain:

12.1 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]

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

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

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

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

15.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
15.21 Bonds	$.....0	$.....0
15.22 Preferred Stock	$.....0	$.....0
15.23 Common Stock	$.....0	$.....0
15.24 Short-Term Investments	$.....0	$.....0
15.25 Mortgages, Loans or Real Estate	$.....0	$.....0
15.26 All Other	$.....0	$.....0
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)	$.....0	$.....0
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	$.....0	$.....0

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

16.2 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.

17. 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 [ ]

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

1 Name of Custodian(s)	2 Custodian Address
Regions Bank Trust Department	Little Rock, AR

17.2 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)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

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

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

17.5 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
116359	Foundation Resource Management	Little Rock, AR

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

18.2 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	57,320,755	56,696,511
2. Cost of bonds and stocks acquired	1,898,953	6,533,182
3. Accrual of discount	28,335	101,099
4. Increase (decrease) by adjustment	(63,865)	845,847
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	1,102,545	1,701,556
7. Consideration for bonds and stocks disposed of	2,395,537	8,185,387
8. Amortization of premium	92,797	372,053
9. Book/adjusted carrying value, current period	57,798,389	57,320,755
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	57,798,389	57,320,755
12. Total nonadmitted amounts		
13. Statement value	57,798,389	57,320,755

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	64,228,553	14,869,537	18,801,111	(62,921)	60,234,059			64,228,553
2. Class 2	1,559,824			(6,451)	1,553,372			1,559,824
3. Class 3								
4. Class 4	395,090		400,000	4,910				395,090
5. Class 5								
6. Class 6								
7. Total Bonds	66,183,467	14,869,537	19,201,111	(64,462)	61,787,431	0	0	66,183,467
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	66,183,467	14,869,537	19,201,111	(64,462)	61,787,431	0	0	66,183,467

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	18,492,440	XXX	18,492,440		

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	23,404,822	16,414,269
2. Cost of short-term investments acquired	13,338,730	58,855,610
3. Increase (decrease) by adjustment		
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments	53,886	92,821
6. Consideration received on disposal of short-term investments	18,304,997	51,957,878
7. Book/adjusted carrying value, current period	18,492,441	23,404,822
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	18,492,441	23,404,822
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	18,492,441	23,404,822
12. Income collected during period	287,675	467,099
13. Income earned during period	246,906	612,985

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	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	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 Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1. Alabama AL	NO							0	
2. Alaska AK	NO							0	
3. Arizona AZ	NO							0	
4. Arkansas AR	YES	39,807,951						39,807,951	
5. California CA	NO							0	
6. Colorado CO	NO							0	
7. Connecticut CT	NO							0	
8. Delaware DE	NO							0	
9. District of Columbia DC	NO							0	
10. Florida FL	NO							0	
11. Georgia GA	NO							0	
12. Hawaii HI	NO							0	
13. Idaho ID	NO							0	
14. Illinois IL	NO							0	
15. Indiana IN	NO							0	
16. Iowa IA	NO							0	
17. Kansas KS	NO							0	
18. Kentucky KY	NO							0	
19. Louisiana LA	NO							0	
20. Maine ME	NO							0	
21. Maryland MD	NO							0	
22. Massachusetts MA	NO							0	
23. Michigan MI	NO							0	
24. Minnesota MN	NO							0	
25. Mississippi MS	NO							0	
26. Missouri MO	NO							0	
27. Montana MT	NO							0	
28. Nebraska NE	NO							0	
29. Nevada NV	NO							0	
30. New Hampshire NH	NO							0	
31. New Jersey NJ	NO							0	
32. New Mexico NM	NO							0	
33. New York NY	NO							0	
34. North Carolina NC	NO							0	
35. North Dakota ND	NO							0	
36. Ohio OH	NO							0	
37. Oklahoma OK	NO							0	
38. Oregon OR	NO							0	
39. Pennsylvania PA	NO							0	
40. Rhode Island RI	NO							0	
41. South Carolina SC	NO							0	
42. South Dakota SD	NO							0	
43. Tennessee TN	NO							0	
44. Texas TX	NO							0	
45. Utah UT	NO							0	
46. Vermont VT	NO							0	
47. Virginia VA	NO							0	
48. Washington WA	NO							0	
49. West Virginia WV	NO							0	
50. Wisconsin WI	NO							0	
51. Wyoming WY	NO							0	
52. American Samoa AS	NO							0	
53. Guam GU	NO							0	
54. Puerto Rico PR	NO							0	
55. U.S. Virgin Islands VI	NO							0	
56. Northern Mariana Islands MP	NO							0	
57. Canada CN	NO							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	39,807,951	0	0	0	0	0	39,807,951	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	221,011						221,011	
61. Total (Direct Business)	(a) 1	40,028,962	0	0	0	0	0	40,028,962	0

DETAILS OF WRITE-INS

5801.								0	
5802.								0	
5803.								0	
5898. nary of remaining write-ins for line 58 from overflow		0	0	0	0	0	0	0	0
5899. otal (Lines 5801 thru 5803 plus 5898) (Line 58 abov		0	0	0	0	0	0	0	0

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

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

PART 1 – ORGANIZATIONAL CHART

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	SEE EXPLANATION

Explanation:

Company does not offer this product

Bar Code:

Overflow Page
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - States, Territories and Possessions									
68607L XJ 1	Oregon Pension Obligation G.O. Tax		03/07/2007	Morgan Keegan		492,820	500,000	6,137	1FE
1799999.	Total - Bonds - States, Territories & Possessions					492,820	500,000	6,137	XXX
Bonds - Public Utilities									
29364W AD 0	Entergy Louisiana First Mortgage		03/29/2007	Morgan Keegan		492,762	500,000	7,913	1FE
3899999.	Total - Bonds - Public Utilities					492,762	500,000	7,913	XXX
Bonds - Industrial and Miscellaneous									
035229 CE 1	Anheuser Busch		01/24/2007	Bear Stearns		545,225	500,000	13,958	1FE
4599999.	Total - Bonds - Industrial & Miscellaneous					545,225	500,000	13,958	XXX
6099997.	Total - Bonds - Part 3					1,530,807	1,500,000	28,008	XXX
6099999.	Total - Bonds					1,530,807	1,500,000	28,008	XXX
Common Stocks - Industrial and Miscellaneous									
35671D 85 7	Freeport McMoran Copper&Gold-ClsB		03/19/2007	Merger	5,896.000	368,146	XXX		L
6899999.	Total - Common Stocks - Industrial & Miscellaneous					368,146	XXX	0	XXX
7299997.	Total - Common Stocks - Part 3					368,146	XXX	0	XXX
7299999.	Total - Common Stocks					368,146	XXX	0	XXX
7399999.	Total - Preferred and Common Stocks					368,146	XXX	0	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					1,898,953	XXX	28,008	XXX

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	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	NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous																					
345397 TX 1	Ford Motor Credit Global Notes		.01/25/2007	MATURITY		400,000	400,000	382,500	395,090		4,910		4,910		400,000			0	13,000	01/25/2007	4FE
775741 AL 5	Rollins Truck Leasing (nowPenske)		.02/15/2007	MATURITY		350,000	350,000	393,544	352,060		(2,060)		(2,060)		350,000			0	14,656	02/15/2007	1FE
824348 AK 2	Sherwin Williams Co. Note		.02/01/2007	MATURITY		200,000	200,000	223,069	200,665		(665)		(665)		200,000			0	6,850	02/01/2007	1FE
4599999.	Total - Bonds - Industrial & Miscellaneous					950,000	950,000	999,113	947,815	0	2,185	0	2,185	0	950,000	0	0	0	34,506	XXX	XXX
6099997.	Total - Bonds - Part 4					950,000	950,000	999,113	947,815	0	2,185	0	2,185	0	950,000	0	0	0	34,506	XXX	XXX
6099999.	Total - Bonds					950,000	950,000	999,113	947,815	0	2,185	0	2,185	0	950,000	0	0	0	34,506	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
382550 10 1	Goodyear Tire		.02/20/2007	Merrill Lynch	12,000.000	302,991	XXX	139,228	251,880	(112,652)			(112,652)		139,228		163,763	163,763		XXX	L
717265 10 2	Phelps Dodge		.03/19/2007	Merger	8,800.000	1,142,546	XXX	203,764	1,053,536	(849,772)			(849,772)		203,764		938,782	938,782	1,760	XXX	L
6899999.	Total - Common Stocks - Industrial & Miscellaneous					1,445,537	XXX	342,992	1,305,416	(962,424)	0	0	(962,424)	0	342,992	0	1,102,545	1,102,545	1,760	XXX	XXX
7299997.	Total - Common Stocks - Part 4					1,445,537	XXX	342,992	1,305,416	(962,424)	0	0	(962,424)	0	342,992	0	1,102,545	1,102,545	1,760	XXX	XXX
7299999.	Total - Common Stocks					1,445,537	XXX	342,992	1,305,416	(962,424)	0	0	(962,424)	0	342,992	0	1,102,545	1,102,545	1,760	XXX	XXX
7399999.	Total - Preferred and Common Stocks					1,445,537	XXX	342,992	1,305,416	(962,424)	0	0	(962,424)	0	342,992	0	1,102,545	1,102,545	1,760	XXX	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					2,395,537	XXX	1,342,105	2,253,231	(962,424)	2,185	0	(960,239)	0	1,292,992	0	1,102,545	1,102,545	36,266	XXX	XXX

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

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		4.730	116,455		8,949,140	12,948,917	11,390,424	XXX
0199999. Total Open Depositories	XXX	XXX	116,455	0	8,949,140	12,948,917	11,390,424	XXX
0399999. Total Cash on Deposit	XXX	XXX	116,455	0	8,949,140	12,948,917	11,390,424	XXX
0599999. Total Cash	XXX	XXX	116,455	0	8,949,140	12,948,917	11,390,424	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

NONE