



# QUARTERLY STATEMENT

AS OF JUNE 30, 2008  
OF THE CONDITION AND AFFAIRS OF THE

## American Dental Providers of Arkansas, Inc.

NAIC Group Code 0119, 0119 NAIC Company Code 11559 Employer's ID Number 58-2302163  
(Current Period) (Prior Period)

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

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [ X ]  
Other [ ] Is HMO, Federally Qualified? Yes [ X ] No [ ]

Incorporated/Organized 01/29/1997 Commenced Business 03/20/1997

Statutory Home Office c/oCSC300SpringBldg,Ste900,300S.SpringSt, Little Rock, AR 72201  
(Street and Number) (City, State and Zip Code)

Main Administrative Office 100 Mansell Court East, Suite 400 Roswell, GA 30076 770-998-8936  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 100 Mansell Court East, Suite 400 Rosell, GA 30076  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 100 Mansell Court East, Suite 400 Roswell, GA 30076 770-998-8936  
(Street and Number) (City, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.compbenefits.com

Statutory Statement Contact Robert Coons 502-580-3497  
(Name) (Area Code) (Telephone Number) (Extension)

rcoons@humana.com 502-580-2099  
(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title	Name	Title
<u>Gerald Lawrence Ganoni</u>	<u>President</u>	<u>Joan Olliges Lenahan</u>	<u>Vice President and Secretary</u>
<u>James Harry Bloem</u>	<u>Sr VP, CFO &amp; Treasurer</u>	<u>Frank Murray Amrine</u>	<u>Appointed Actuary</u>

### OTHER OFFICERS

<u>George Grant Bauernfeind</u>	<u>Vice President</u>	<u>John Gregory Catron</u>	<u>Vice President</u>
<u>Thomas Joseph Liston</u>	<u>Sr. Vice President</u>	<u>Jonathan Thomas Lord M.D.</u>	<u>Sr. Vice President</u>
<u>John Edward Lumpkins</u>	<u>Vice President</u>	<u>Heidi Suzanne Margulis</u>	<u>Sr. Vice President</u>
<u>Mark Matthew Matzke</u>	<u>Chief Operating Officer</u>	<u>Steven Oscar Moya</u>	<u>Sr. Vice President</u>
<u>Kathleen Stephenson Pellegrino</u>	<u>VP &amp; Asst. Secretary</u>	<u>Gilbert Alan Stewart</u>	<u>Vice President</u>
<u>William Joseph Tait</u>	<u>Vice President</u>	<u>Gary Dean Thompson</u>	<u>Vice President</u>
<u>Tod James Zacharias</u>	<u>Vice President</u>		

### DIRECTORS OR TRUSTEES

<u>Jonathan Thomas Lord M.D.</u>	<u>Michael Benedict McCallister</u>	<u>James Elmer Murray</u>
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State of Kentucky  
County of Jefferson **SS**

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.

Gerald Lawrence Ganoni  
President

Joan Olliges Lenahan  
Vice President and Secretary

James Harry Bloem  
Sr VP, CFO & Treasurer

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 \_\_\_\_\_

Subscribed and sworn to before me this  
12th day of August, 2008

Julia Basham, Notary Public  
January 10, 2009

STATEMENT AS OF JUNE 30, 2008 OF THE American Dental Providers of Arkansas, Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	105,039		105,039	105,075
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....26,728 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....328,103 ) .....	354,831		354,831	227,170
6. Contract loans, (including \$ .....premium notes)			0	0
7. Other invested assets .....	0	0	0	0
8. Receivables for securities .....			0	0
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	459,870	0	459,870	332,245
11. Title plants less \$ ..... charged off (for Title insurers only)			0	0
12. Investment income due and accrued .....	2,138		2,138	2,142
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	7,443	1,054	6,389	3,914
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
13.3 Accrued retrospective premiums .....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....			0	0
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
16.2 Net deferred tax asset .....	1,614	969	645	645
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....			0	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	0
21. Receivables from parent, subsidiaries and affiliates .....			0	0
22. Health care (\$ .....) and other amounts receivable .....			0	570
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 to 23)	471,065	2,023	469,042	339,516
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25)	471,065	2,023	469,042	339,516
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	0	0	0	0

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded)	3,985	176	4,161	4,425
2. Accrued medical incentive pool and bonus amounts			0	937
3. Unpaid claims adjustment expenses	152		152	162
4. Aggregate health policy reserves	2,291		2,291	1,692
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	2,029		2,029	2,263
9. General expenses due or accrued	7,119		7,119	1,052
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	152,089		152,089	48,001
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including \$ ..... current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	167,665	176	167,841	58,532
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	100,000	100,000
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	2,607,976	2,607,976
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	(2,406,775)	(2,426,992)
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24) \$ ..... )	XXX	XXX		0
30.2 ..... shares preferred (value included in Line 25) \$ ..... )	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	301,201	280,984
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	469,042	339,516
<b>DETAILS OF WRITE-INS</b>				
2101. ....				
2102. ....				
2103. ....				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2301. ....	XXX	XXX		
2302. ....	XXX	XXX		
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801. ....	XXX	XXX		
2802. ....	XXX	XXX		
2803. ....	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	4,296	5,004	9,531
2. Net premium income (including \$ ..... non-health premium income).....	XXX	68,125	67,545	136,541
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	(599)	612	(1,692)
4. Fee-for-service (net of \$ ..... medical expenses).....	XXX		0	0
5. Risk revenue.....	XXX		0	0
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	67,526	68,157	134,849
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....			0	0
10. Other professional services.....	855	20,242	27,002	57,468
11. Outside referrals.....			0	0
12. Emergency room and out-of-area.....			0	0
13. Prescription drugs.....			0	0
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0	937
16. Subtotal (Lines 9 to 15).....	855	20,242	27,002	58,405
<b>Less:</b>				
17. Net reinsurance recoveries.....			0	0
18. Total hospital and medical (Lines 16 minus 17).....	855	20,242	27,002	58,405
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 122 ..... cost containment expenses.....		739	0	2,098
21. General administrative expenses.....		23,216	38,806	58,927
22. Increase in reserves for life and accident and health contracts including \$ ..... increase in reserves for life only).....			0	0
23. Total underwriting deductions (Lines 18 through 22).....	855	44,197	65,808	119,430
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	23,329	2,349	15,419
25. Net investment income earned.....		4,665	5,113	10,507
26. Net realized capital gains (losses) less capital gains tax of \$.....			0	0
27. Net investment gains (losses) (Lines 25 plus 26).....	0	4,665	5,113	10,507
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... ).....			0	0
29. Aggregate write-ins for other income or expenses.....	0	1,008	1,186	2,362
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	29,002	8,648	28,288
31. Federal and foreign income taxes incurred.....	XXX	10,292	3,329	8,722
32. Net income (loss) (Lines 30 minus 31).....	XXX	18,710	5,319	19,566
<b>DETAILS OF WRITE-INS</b>				
0601. ....	XXX			
0602. ....	XXX			
0603. ....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	0	0	0
0701. ....	XXX			
0702. ....	XXX			
0703. ....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0	0
1401. ....				
1402. ....				
1403. ....				
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901. Administrative Income.....		1,008	1,186	2,314
2902. Miscellaneous Income.....			0	48
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	1,008	1,186	2,362

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT:</b>			
33. Capital and surplus prior reporting year.....	280,984	293,932	293,932
34. Net income or (loss) from Line 32.....	18,710	5,319	19,566
35. Change in valuation basis of aggregate policy and claim reserves.....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....		0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....		0	0
38. Change in net deferred income tax.....		302	300
39. Change in nonadmitted assets.....	1,507	84	(2,414)
40. Change in unauthorized reinsurance.....	0	0	0
41. Change in treasury stock.....		0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....		0	0
44. Capital Changes:			
44.1 Paid in.....		0	0
44.2 Transferred from surplus (Stock Dividend).....		0	0
44.3 Transferred to surplus.....		0	0
45. Surplus adjustments:			
45.1 Paid in.....		0	0
45.2 Transferred to capital (Stock Dividend).....	0	0	0
45.3 Transferred from capital.....		0	0
46. Dividends to stockholders.....		0	(30,400)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	0
48. Net change in capital & surplus (Lines 34 to 47).....	20,217	5,705	(12,948)
49. Capital and surplus end of reporting period (Line 33 plus 48)	301,201	299,637	280,984
<b>DETAILS OF WRITE-INS</b>			
4701. ....			
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

**CASH FLOW**

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	66,922	128,534
2. Net investment income .....	4,705	9,763
3. Miscellaneous income .....	0	0
4. Total (Lines 1 to 3) .....	71,627	138,297
5. Benefits and loss related payments .....	22,192	55,214
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	16,141	56,280
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses)	10,292	8,722
10. Total (Lines 5 through 9) .....	48,625	120,216
11. Net cash from operations (Line 4 minus Line 10) .....	23,002	18,081
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	0	105,000
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	0	105,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	0	105,131
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	0	105,131
14. Net increase (or decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	0	(131)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	30,400
16.6 Other cash provided (applied).....	104,659	46,094
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	104,659	15,694
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	127,661	33,644
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	227,170	193,526
19.2 End of period (Line 18 plus Line 19.1) .....	354,831	227,170

STATEMENT AS OF JUNE 30, 2008 OF THE American Dental Providers of Arkansas, Inc.

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year .....	729	.0	.0	.0	.0	530	199	.0	.0	.0
2. First Quarter .....	712	.0	.0	.0	.0	471	241	.0	.0	.0
3. Second Quarter .....	698					450	248			
4. Third Quarter .....	.0									
5. Current Year .....	.0									
6. Current Year Member Months	4,296					2,846	1,450			
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician .....	.0									
8. Non-Physician .....	.0									
9. Total .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Hospital Patient Days Incurred	.0									
11. Number of Inpatient Admissions	.0									
12. Health Premiums Written .....	68,125					29,349	38,776			
13. Life Premiums Direct .....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	67,526					28,750	38,776			
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	21,443					11,023	10,420			
18. Amount Incurred for Provision of Health Care Services	20,242					10,742	9,500			

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

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**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 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....					.0	.0
2. Medicare Supplement .....					.0	.0
3. Dental Only .....	.40	10,499	.4	246	.44	.47
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan .....	2,419	7,548	260	3,651	2,679	4,378
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid .....					.0	.0
8. Other Health .....					.0	.0
9. Health Subtotal (Lines 1 to 8).....	2,459	18,047	264	3,897	2,723	4,425
10. Healthcare receivables (a) .....					.0	.0
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts .....	.937				.937	.937
13. Totals	3,396	18,047	264	3,897	3,660	5,362

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

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## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

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

The Arkansas Office of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Arkansas Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Arkansas. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. No deviations exist.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Arkansas is shown below:

	State of Domicile		2008		2007
1. Net Income, Arkansas basis	AR	\$	18,710	\$	19,566
2. State Prescribed Practices (Income):	AR		-		-
3. State Permitted Practices (Income):	AR		-		-
4. Net Income, NAIC SAP	AR	\$	18,710	\$	19,566
5. Statutory Surplus, Arkansas basis	AR	\$	301,201	\$	280,984
6. State Prescribed Practices (Surplus):	AR		-		-
7. State Permitted Practices (Surplus):	AR		-		-
8. Statutory Surplus, NAIC SAP	AR	\$	301,201	\$	280,984

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are based on knowledge of current events and anticipated future events, and accordingly, actual results could differ from those estimates.

#### C. Accounting Policy

Short-term investments include investments mainly in U.S. Government obligations with a maturity of twelve months or less from the date of purchase. Short-term investments are recorded at amortized cost. The carrying value of short-term investments approximates fair value due to the short-term maturities of the investments.

Investments are valued and classified in accordance with methods prescribed by the NAIC. Bonds with an NAIC rating of 1 or 2 are carried at amortized cost, with all other bonds being recorded at the lower of amortized cost or fair value.

The Company regularly evaluates investment securities for impairment. The Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value, the near term prospects for recovery to carrying value, and the Company's intent and ability to hold the investment until maturity or market recovery is realized. If and when a determination is made that a decline in fair value below the cost basis is other-than-temporary, the related investment is written down to its estimated fair value through earnings.

Amortization of bond premium or discount is computed using the scientific interest method.

Income from investments is recorded on an accrual basis. For the purpose of determining realized gains and losses, the cost of securities sold is based upon specific identification. Investment income due and accrued over 90 days past due is nonadmitted.

The Company recognizes an asset or liability for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. The temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled.

Premiums are reported as earned in the period in which members are entitled to receive services, and are net of retroactive membership adjustments. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by an employer group or the government. Premiums received prior to such period are recorded as advance premiums.

Benefits incurred and loss adjustment expenses include claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, legal and administrative costs to settle claims, and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care provided prior to the date of the statements of admitted assets, liabilities and surplus. Capitation payments represent monthly contractual fees disbursed to participating primary care physicians, and other providers who are responsible for providing medical care to members. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers.

The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.

The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.

Management believes the Company's benefits payable and loss adjustment expense are adequate to cover future claims and loss adjustment expense payments required, however, such estimates are based on knowledge of current events and anticipated future events

## NOTES TO FINANCIAL STATEMENTS

and, therefore, the actual liability could differ from the amounts provided.

The Company estimates anticipated Pharmacy Rebate Receivables using the analysis of historical recovery patterns.

2. Accounting Changes and Corrections of Errors

Not Applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable.

B. Statutory Merger

Not Applicable.

C. Assumption Reinsurance

Not Applicable.

D. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not Applicable.

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

Not Applicable.

E. Repurchase Agreements

Not Applicable.

F. Real Estate

Not Applicable.

G. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10.0 percent of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loan default.

B. The total amount excluded was \$0.

8. Derivative Instruments

Not Applicable.

## NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

No material change since year-end December 31, 2007.

10. Information Concerning Parent, Subsidiaries and Affiliates

The Company has a management contract with Humana and other related parties whereby the Company is provided with medical and executive management, information systems, claims processing, billing and enrollment, and telemarketing and other services as required by the Company. Management fees charged to operations for the years ended December 31, 2007 and 2006 were approximately \$4,000 and \$20,000 respectively.

As a part of this agreement, Humana makes cash disbursements on behalf of the Company which includes, but is not limited to, medical related items, general and administrative expenses, commissions and payroll. Humana is reimbursed by the Company weekly, based upon historical pattern of amounts and timing. Each month, these estimates are adjusted to ultimately settle upon actual disbursements made on behalf of the Company. As a result, any residual inter-company balances are immediately settled in the following month. The Company continues to be primarily liable for any outstanding payments made on behalf of the Company, should Humana not be able to fulfill its obligations.

11. Debt

A. Capital Notes

The Company has no capital notes outstanding.

B. All other Debt

The Company has no debentures outstanding.

The Company does not have any reverse repurchase agreements.

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

A. Defined Benefit Plan

Not Applicable.

B. Defined Contribution Plan

Not Applicable.

C. Multiemployer Plans

Not Applicable.

D. Consolidated/Holding Company Plans

No material change since year-end December 31, 2007.

E. Post Employment Benefits and Compensated Absences

Not Applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not Applicable

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

- 1) The company has \$100 par value common stock with 1,000 shares authorized, issued and outstanding.
- 2) The Company has no preferred stock outstanding.
- 3) Dividends are noncumulative and are paid as determined by the Board of Directors. Dividends are subject to the approval of the Department of Insurance if such dividend distribution which, together with other dividends or distributions made within the preceding twelve months, exceeds the lesser of (a) 10 percent of the company's policyholder surplus as of December 31 of the prior year, or (b) the net income, for the twelve month period ending December 31 of the prior year.
- 4) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 6) Not Applicable.
- 7) Not Applicable.
- 8) Not Applicable.
- 9) Not Applicable.
- 10) Not Applicable.
- 11) Not Applicable.
- 12) Not Applicable.

14. Contingencies

A. Contingent Commitments

Not Applicable.

B. Assessments

Not Applicable.

## NOTES TO FINANCIAL STATEMENTS

C. Gain Contingencies

Not Applicable.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Not Applicable.

E. All Other Contingencies

During the ordinary course of business, the Company is subject to pending and threatened legal actions. Management of the Plan does not believe that any of these actions will have a material adverse effect on the Company's surplus, results of operations or cash flows. However, the likelihood or outcome of current or future legal proceedings cannot be accurately predicted, and they could adversely affect the Company's surplus, results of operations and cash flows.

The Company is aware of no material contingent liabilities as of June 30, 2008.

15. Leases

A. Lessee Operating Lease

Not Applicable

B. Other Leases

Not Applicable

16. Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentration of Credit Risk

1) The Company has no investment in Financial Instruments with Off Balance Sheet Risk.

2) The Company has no investment in Financial Instruments with Concentration Credit Risk.

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

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable

C. Wash Sales

Not Applicable.

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

A. ASO Plans

Not Applicable

B. ASC Plans

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

Not Applicable

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

Not Applicable.

20. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring

Not Applicable.

C. Other Disclosures

Not Applicable.

D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6,

## NOTES TO FINANCIAL STATEMENTS

Uncollected Premium Balances, Bill Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

Not Applicable.

E. Business Interruption Insurance Recoveries

Not Applicable.

F. State Transferable Tax Credits

Not Applicable.

G. The company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

H. Hybrid Securities

Not Applicable.

I. Subprime Mortgage Related Risk Exposure

(1) Direct exposure through investments in sub-prime mortgage loans.

The Company has no direct exposure through investment to sub-prime mortgage loans.

(2) Indirect exposure to sub-prime mortgage risk through investments in the following securities:

- a. Residential mortgage backed securities – No substantial exposure noted.
- b. Collateralized debt obligations – No substantial exposure noted.
- c. Structured Securities (including principal protected notes) – No substantial exposure noted.
- d. Debt Securities of companies with significant sub-prime exposure – No substantial exposure noted
- e. Equity securities of companies with significant sub-prime exposure – No substantial exposure noted.
- f. Other Assets – No substantial exposure noted.

(3) Underwriting exposure to sub-prime mortgage risk through Mortgage Guaranty coverage, Financial Guaranty coverage, Directors and Officers liability coverage, or Errors and Omissions liability coverage.

Not Applicable.

(4) Classification of mortgage related securities is primarily based on information from outside data services, including rating agency actions. When considering our exposure, the Company evaluated the percentage of full documentation loans, percent of owner occupied properties, FICO scores, average margin for ARM loans, percent of loans with prepayment penalties, the existence of non-traditional underwriting standards, among other factors.

21. Events Subsequent

The Company is not aware of any events occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition.

22. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10.0 percent or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes ( ) No ( X )

If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10.0 percent or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No ( X )

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes ( ) No ( X )

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$0

## NOTES TO FINANCIAL STATEMENTS

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No ( X )

If yes, give full details.

### Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No ( X )

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$0

#### B. Uncollectible Reinsurance

Not Applicable.

#### C. Commutation of Ceded Reinsurance

Not Applicable.

### 23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable.

### 24. Change in Incurred Claims and Claim Adjustment Expenses

No material change since year-end December 31, 2007.

### 25. Intercompany Pooling Arrangements

Not Applicable.

### 26. Structured Settlements

Not Applicable.

### 27. Health Care Receivables

#### A. Pharmaceutical Rebate Receivables

Not Applicable.

#### B. Risk Sharing Receivables

Not Applicable.

### 28. Participating Policies

Not Applicable.

### 29. Premium Deficiency Reserves

As of June 30, 2008, the Company had no liabilities related to premium deficiency reserves. The Company did not consider anticipated investment income when calculating its premium deficiency reserves.

### 30. Anticipated Salvage and Subrogation

Not Applicable.

## GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the 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: ..... 01/01/3000
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 the 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] NA [ ]  
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). .... 07/25/2005
- 6.4 By what department or departments?  
Arkansas Department of Insurance.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [X] No [ ] NA [ ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?..... Yes [X] No [ ] NA [ ]
- 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 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

## GENERAL INTERROGATORIES

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

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes  No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....

### INVESTMENT

- 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
- 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
- 14.2 If yes, please complete the following:
- |   | 1   |  | 2  |  |
|---|---|--|--|--|
|   | Prior Year-End<br>Book/Adjusted<br>Carrying Value |  | Current Quarter<br>Book/Adjusted<br>Carrying 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 Mortgage Loans on Real Estate .....   | \$ .....0   |  | \$ .....0  |  |
| 14.26 All Other .....   | \$ .....0   |  | \$ .....0  |  |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal<br>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
- 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.

## GENERAL INTERROGATORIES

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 Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? .....

Yes  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
JP Morgan Chase.....	4 New York Plaza, 15th Floor, New York, NY 10004-2413, Attn: Herb Spaulding.....

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? .....

Yes  No

17.2 If no, list exceptions:

.....



**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	N							.0	
2. Alaska	AK	N							.0	
3. Arizona	AZ	N							.0	
4. Arkansas	AR	L	29,349			38,776			68,125	
5. California	CA	N							.0	
6. Colorado	CO	N							.0	
7. Connecticut	CT	N							.0	
8. Delaware	DE	N							.0	
9. District of Columbia	DC	N							.0	
10. Florida	FL	N							.0	
11. Georgia	GA	N							.0	
12. Hawaii	HI	N							.0	
13. Idaho	ID	N							.0	
14. Illinois	IL	N							.0	
15. Indiana	IN	N							.0	
16. Iowa	IA	N							.0	
17. Kansas	KS	N							.0	
18. Kentucky	KY	N							.0	
19. Louisiana	LA	N							.0	
20. Maine	ME	N							.0	
21. Maryland	MD	N							.0	
22. Massachusetts	MA	N							.0	
23. Michigan	MI	N							.0	
24. Minnesota	MN	N							.0	
25. Mississippi	MS	N							.0	
26. Missouri	MO	N							.0	
27. Montana	MT	N							.0	
28. Nebraska	NE	N							.0	
29. Nevada	NV	N							.0	
30. New Hampshire	NH	N							.0	
31. New Jersey	NJ	N							.0	
32. New Mexico	NM	N							.0	
33. New York	NY	N							.0	
34. North Carolina	NC	N							.0	
35. North Dakota	ND	N							.0	
36. Ohio	OH	N							.0	
37. Oklahoma	OK	N							.0	
38. Oregon	OR	N							.0	
39. Pennsylvania	PA	N							.0	
40. Rhode Island	RI	N							.0	
41. South Carolina	SC	N							.0	
42. South Dakota	SD	N							.0	
43. Tennessee	TN	N							.0	
44. Texas	TX	N							.0	
45. Utah	UT	N							.0	
46. Vermont	VT	N							.0	
47. Virginia	VA	N							.0	
48. Washington	WA	N							.0	
49. West Virginia	WV	N							.0	
50. Wisconsin	WI	N							.0	
51. Wyoming	WY	N							.0	
52. American Samoa	AS	N							.0	
53. Guam	GU	N							.0	
54. Puerto Rico	PR	N							.0	
55. U.S. Virgin Islands	VI	N							.0	
56. Northern Mariana Islands	MP	N							.0	
57. Canada	CN	N							.0	
58. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Subtotal	XXX		29,349	.0	.0	38,776	.0	.0	68,125	.0
60. Reporting entity contributions for Employee Benefit Plans	XXX								.0	
61. Total (Direct Business)	(a) 1		29,349	0	0	38,776	0	0	68,125	0
DETAILS OF WRITE-INS										
5801.	XXX									
5802.	XXX									
5803.	XXX									
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		.0	.0	.0	.0	.0	.0	.0	.0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0	0	0

(a) Insert the number of L responses except for Canada and other Alien.



# 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 supplemental 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 Statement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

**Explanation:**

1.This type of business in not written.

**Bar Code:**

1.   
1 1 5 5 9 2 0 0 8 3 6 5 0 0 0 0 2

**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A - VERIFICATION**

**Real Estate**

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		0
2.2 Additional investment made after acquisitions		0
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amount		0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

**SCHEDULE B – VERIFICATION**

**Mortgage Loans**

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
1. Book value/recorded investment excluding accrued interest receivable at end of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		0
2.2 Additional investment made after acquisitions		0
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted accounts		0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

**SCHEDULE BA – VERIFICATION**

**Other Long Term Invested Assets**

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		0
2.2 Additional investment made after acquisitions		0
3. Capitalized deferred interest and other		
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts		0
13. Statement value at end of current period (Line 11 minus Line 12)	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	105,075	105,021
2. Cost of bonds and stocks acquired		105,131
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration for bonds and stocks disposed of		105,000
7. Deduct amortization of premium	36	77
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	105,039	105,075
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	105,039	105,075

STATEMENT AS OF JUNE 30, 2008 OF THE American Dental Providers of Arkansas, Inc.

**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
<b>BONDS</b>								
1. Class 1 (a).....	232,037	201,120		(16)	232,037	433,141	.0	230,966
2. Class 2 (a).....	.0				.0	.0	.0	.0
3. Class 3 (a).....	.0				.0	.0	.0	.0
4. Class 4 (a).....	.0				.0	.0	.0	.0
5. Class 5 (a).....	.0				.0	.0	.0	.0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	232,037	201,120	0	(16)	232,037	433,141	0	230,966
<b>PREFERRED STOCK</b>								
8. Class 1.....	.0				.0	.0	.0	.0
9. Class 2.....	.0				.0	.0	.0	.0
10. Class 3.....	.0				.0	.0	.0	.0
11. Class 4.....	.0				.0	.0	.0	.0
12. Class 5.....	.0				.0	.0	.0	.0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	232,037	201,120	0	(16)	232,037	433,141	0	230,966

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....; NAIC 2 \$.....; NAIC 3 \$.....; NAIC 4 \$.....; NAIC 5 \$.....; NAIC 6 \$.....

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## SCHEDULE DA - PART 1

### Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	328,103	XXX	328,103	2,212	

## SCHEDULE DA - VERIFICATION

### Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	125,891	.0
2. Cost of short-term investments acquired.....	202,212	125,891
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		.0
5. Total gain (loss) on disposals.....		.0
6. Deduct consideration received on disposals.....		.0
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		.0
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	328,103	125,891
11. Deduct total nonadmitted amounts.....		.0
12. Statement value at end of current period (Line 10 minus Line 11)	328,103	125,891

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule E Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

Schedule D - Part 3

**NONE**

Schedule D - Part 4

**NONE**

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**



Schedule E - Part 2 - Cash Equivalents  
**NONE**