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HEALTH QUARTERLY STATEMENT

As of September 30, 2012

of the Condition and Affairs of the

USAble Mutual Insurance Company

NAIC Group Code.....876, 876 (Current Period) (Prior Period) NAIC Company Code..... 83470 Employer's ID Number..... 71-0226428

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

Licensed as Business Type Life, Accident & Health Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized..... December 10, 1948 Commenced Business..... March 2, 1949

Statutory Home Office	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(Street and Number) (City or Town, State and Zip Code)*	501-378-2000 *(Area Code) (Telephone Number)*
Mail Address	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(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 Web Site Address	www.arkansasbluecross.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)*

OFFICERS

Name	Title	Name	Title
1. Paul Mark White	Chief Executive Officer	2. James Lee Douglass	Secretary
3. Gray Donald Dillard	Treasurer	4. Michael Wayne Brown	Chief Operating Officer

OTHER

Stephen William Abell
James Robert Bailey
David Frank Bridges
Richard Shelby Cooper
David Franklin Greenwood, Jr.
James Robert Heard III
Patrick Dennis O'Sullivan
Karen Cox Raley
Joseph Steven Smith
Toni Lairry Starks
James Sterling Adamson Jr., MD
Curtis Edwin Barnett
Michael Wayne Brown
Ronald Walter DeBerry
Robert Franklin Griffin, MD
Calvin Eugene Kellogg
Samuel Patterson Partin III
Kathy O'Dea Ryan
Steven Aaron Spaulding

DIRECTORS OR TRUSTEES

Carolyn Frazier Blakely PhD
Bradley Dean Jesson
Hayes Candour McClerkin
Ben Edwin Owens
Paul Mark White
Susan Glover Brittain
James Virgil Kelley
George Key Mitchell MD
Robert Lee Shoptaw
Robert Vincent Brothers
Mahlon Ogden Maris MD
Robert Daniel Nabholz
Patty Fulbright Smith
Mark William Greenway
James Thomas May
Marla Johnson Norris
Sherman Ellis Tate

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)
Paul Mark White	James Lee Douglass	Gray Donald Dillard
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
Chief Executive Officer	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This _____ day of _____

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	291,834,565		291,834,565	254,078,856
2. Stocks:				
2.1 Preferred stocks			0	278,852
2.2 Common stocks	311,044,122	16,059,910	294,984,212	284,228,200
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)	24,184,053		24,184,053	25,746,907
4.2 Properties held for the production of income (less $.....0 encumbrances)	13,962,304		13,962,304	14,329,446
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....46,406,221), cash equivalents ($.....0) and short-term investments ($.....268,638,262)	315,044,482		315,044,482	290,561,105
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets	71,878,335		71,878,335	72,038,890
9. Receivables for securities	3,500,000		3,500,000	9,446,155
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	2,979,417	0	2,979,417	2,860,764
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,034,427,278	16,059,910	1,018,367,368	953,569,174
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	3,832,973		3,832,973	2,748,315
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	100,877,761	638,734	100,239,027	98,047,450
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	826,809		826,809	2,133,960
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	26,717,936		26,717,936	37,087,506
18.1 Current federal and foreign income tax recoverable and interest thereon	9,229,999		9,229,999	19,650,041
18.2 Net deferred tax asset	78,938,246	78,938,246	0	
19. Guaranty funds receivable or on deposit	76,859		76,859	307,437
20. Electronic data processing equipment and software	11,128,796	5,952,438	5,176,358	8,105,974
21. Furniture and equipment, including health care delivery assets ($.....0)	8,460,417	8,460,417	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	15,894,692	202,430	15,692,262	13,915,187
24. Health care ($.....5,816,433) and other amounts receivable	33,203,989	5,774,073	27,429,916	32,890,532
25. Aggregate write-ins for other than invested assets	58,998,828	17,890,563	41,108,265	53,240,605
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	1,382,614,583	133,916,811	1,248,697,772	1,221,696,181
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	1,382,614,583	133,916,811	1,248,697,772	1,221,696,181

DETAILS OF WRITE-INS

1101. Deposits with National Accounts	2,979,417		2,979,417	2,860,764
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	2,979,417	0	2,979,417	2,860,764
2501. Supplemental Savings Plan	23,691,156		23,691,156	37,543,520
2502. Other Assets	17,417,109		17,417,109	15,697,085
2503. Other Nonadmitted Assets	17,890,563	17,890,563	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	58,998,828	17,890,563	41,108,265	53,240,605

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....3,257,892 reinsurance ceded)	123,850,253	355,489	124,205,742	114,026,807
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses	4,482,578		4,482,578	4,289,656
4. Aggregate health policy reserves, including the liability of $.....1,407,820 for medical loss ratio rebate per the Public Health Service Act	130,155,474		130,155,474	127,687,641
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	12,755,340		12,755,340	15,733,734
9. General expenses due or accrued	241,190,530		241,190,530	239,647,751
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	
10.2 Net deferred tax liability	2,046,049		2,046,049	1,333,173
11. Ceded reinsurance premiums payable	1,527,682		1,527,682	3,019,116
12. Amounts withheld or retained for the account of others	36,854,835		36,854,835	47,554,083
13. Remittances and items not allocated	148,774		148,774	168,445
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	949,896		949,896	1,716,368
16. Derivatives			0	
17. Payable for securities	1,748,738		1,748,738	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
20. Reinsurance in unauthorized companies			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	
22. Liability for amounts held under uninsured plans	53,497,395		53,497,395	64,441,741
23. Aggregate write-ins for other liabilities (including $.....0 current)	20,603,770	0	20,603,770	20,419,281
24. Total liabilities (Lines 1 to 23)	629,811,314	355,489	630,166,803	640,037,796
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX		
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	618,530,972	581,658,383
32. Less treasury stock, at cost:				
32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	618,530,972	581,658,383
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	1,248,697,775	1,221,696,179

DETAILS OF WRITE-INS

2301. Miscellaneous Liabilities	986,085		986,085	801,596
2302. Claims Payable for Self-Insured Plans			0	
2303. Deferred Gain on Capitalization of Joint Venture	19,617,685		19,617,685	19,617,685
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)	20,603,770	0	20,603,770	20,419,281
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.				
3002.				
3003.				
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 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	3,893,919	3,883,081	5,189,218
2. Net premium income (including $.....0 non-health premium income)	XXX	980,930,823	953,588,620	1,273,205,582
3. Change in unearned premium reserves and reserve for rate credits	XXX	(775,597)	(7,578,485)	(10,947,922)
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	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	980,155,226	946,010,135	1,262,257,660
Hospital and Medical:				
9. Hospital/medical benefits		506,394,190	485,060,650	629,575,369
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area		118,342,717	106,561,672	145,055,423
13. Prescription drugs		151,894,643	151,398,601	199,426,187
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)	0	776,631,550	743,020,923	974,056,979
Less:				
17. Net reinsurance recoveries		(43,995,367)	(35,982,073)	(49,349,564)
18. Total hospital and medical (Lines 16 minus 17)	0	820,626,917	779,002,996	1,023,406,543
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....(21,884,740) cost containment expenses		48,454,436	46,905,360	69,779,826
21. General administrative expenses		80,778,602	72,747,185	112,775,442
22. Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)		4,244,098	5,552,842	7,707,487
23. Total underwriting deductions (Lines 18 through 22)	0	954,104,053	904,208,383	1,213,669,298
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	26,051,173	41,801,752	48,588,362
25. Net investment income earned		7,600,117	9,611,089	11,707,137
26. Net realized capital gains (losses) less capital gains tax of $.....1,695,837		3,149,412	8,473,111	2,962,219
27. Net investment gains or (losses) (Lines 25 plus 26)	0	10,749,529	18,084,200	14,669,356
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	183,560	(1,205,513)	(824,077)
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	36,984,262	58,680,439	62,433,641
31. Federal and foreign income taxes incurred	XXX	10,059,248	22,829,674	15,985,591
32. Net income (loss) (Lines 30 minus 31)	XXX	26,925,014	35,850,765	46,448,050

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	0
0699. Totals (Lines 0601 thru 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 thru 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 thru 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. Miscellaneous Income/Expense		(190,253)	(228,143)	(278,521)
2902. Regional Management Fees		373,813	(977,370)	(545,556)
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	183,560	(1,205,513)	(824,077)

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year	581,658,385	572,046,869	572,046,869
34. Net income or (loss) from Line 32	26,925,014	35,850,765	46,448,050
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	3,375,979	(24,782,849)	(19,351,720)
37. Change in net unrealized foreign exchange capital gain or (loss)	1,507,557	(2,746,933)	(1,116,352)
38. Change in net deferred income tax	(4,553,488)	2,227,773	5,704,566
39. Change in nonadmitted assets	9,283,471	(7,603,580)	(22,913,986)
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			
47. Aggregate write-ins for gains or (losses) in surplus	352,398	914,801	840,958
48. Net change in capital and surplus (Lines 34 to 47)	36,890,931	3,859,977	9,611,516
49. Capital and surplus end of reporting period (Line 33 plus 48)	618,549,316	575,906,846	581,658,385

DETAILS OF WRITE-INS

4701. Capital Lease Adjustment	352,398	914,801	840,958
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)	352,398	914,801	840,958

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	973,927,004	963,237,865	1,266,561,974
2. Net investment income	11,102,729	12,621,270	9,297,946
3. Miscellaneous income			
4. Total (Lines 1 through 3)	985,029,733	975,859,135	1,275,859,921
5. Benefit and loss related payments	809,140,831	772,679,797	1,026,882,388
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	127,473,486	92,788,001	137,460,801
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....1,695,837 tax on capital gains (losses)	1,335,043	15,827,204	27,760,373
10. Total (Lines 5 through 9)	937,949,360	881,295,002	1,192,103,562
11. Net cash from operations (Line 4 minus Line 10)	47,080,373	94,564,133	83,756,359
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	42,965,760	127,316,192	138,814,823
12.2 Stocks	8,432,249	16,283,168	16,307,136
12.3 Mortgage loans			
12.4 Real estate			(2,128,669)
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	7,694,893	26,469	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	59,092,902	143,625,829	152,993,290
13. Cost of investments acquired (long-term only):			
13.1 Bonds	81,008,658	79,752,499	98,177,645
13.2 Stocks	11,629,683	17,943,291	19,097,699
13.3 Mortgage loans			
13.4 Real estate	681,864	767,943	
13.5 Other invested assets			670,558
13.6 Miscellaneous applications	118,653	95,306	9,426,456
13.7 Total investments acquired (Lines 13.1 to 13.6)	93,438,858	98,559,039	127,372,358
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)	(34,345,956)	45,066,790	25,620,932
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			
16.6 Other cash provided (applied)	11,748,961	(11,352,782)	(22,349,750)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	11,748,961	(11,352,782)	(22,349,750)
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)	24,483,378	128,278,141	87,027,541
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	290,561,103	203,533,562	203,533,562
19.2 End of period (Line 18 plus Line 19.1)	315,044,481	331,811,703	290,561,103

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	435,410	90,711	125,509	104,690	6,889	18,412	55,863	12,791		20,545
2. First Quarter	430,063	90,499	121,425	105,558	7,376	19,170	55,849	13,966		16,220
3. Second Quarter	432,075	90,802	121,732	105,884	7,367	20,534	55,601	14,048		16,107
4. Third Quarter	436,086	90,598	122,734	107,149	7,399	22,031	55,666	14,239		16,270
5. Current Year	0									
6. Current Year Member Months	3,889,222	815,726	1,098,024	953,856	66,458	181,179	501,561	126,438		145,980
Total Member Ambulatory Encounters for Period:										
7. Physician	1,746,020	106,466	247,840	1,059,082		332,632				
8. Non-Physician	2,401,555	420,466	967,827	1,013,262						
9. Total	4,147,575	526,932	1,215,667	2,072,344	0	332,632	0	0	0	0
10. Hospital Patient Days Incurred	2,401,555	420,466	967,827	1,013,262						
11. Number of Inpatient Admissions	36,759	2,817	6,867	27,075						
12. Health Premiums Written (a)	932,592,217	143,598,382	306,906,798	166,561,175	616,741	22,707,554	166,381,316	87,102,162		38,718,089
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	931,816,619	143,149,151	306,878,161	166,470,344	616,741	22,569,937	166,312,034	87,102,162		38,718,089
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	762,629,711	113,279,317	248,338,122	126,887,531	501,231	17,930,261	154,459,721	75,955,561		25,277,967
18. Amount Incurred for Provision of Health Care Services	776,631,551	113,212,931	248,192,796	135,779,886	499,352	17,790,261	154,459,721	77,959,171		28,737,433

(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	11,441,512	111,955	8,246	3,336	3,911	11,568,960
0499999. Subtotals	11,441,512	111,955	8,246	3,336	3,911	11,568,960
0599999. Unreported Claims and Other Claim Reserves						115,894,674
0799999. Total Claims Unpaid						127,463,634

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)	47,522,967	372,638,518	1,515,827	62,769,826	49,038,794	64,516,569
2. Medicare Supplement	15,470,900	111,416,631	96,255	26,577,445	15,567,155	17,780,150
3. Dental only	1,658,318	16,271,943	35,808	1,475,192	1,694,126	1,651,000
4. Vision only		501,231		27,478	0	29,357
5. Federal Employees Health Benefits Plan	15,519,738	138,939,982	223,816	17,397,184	15,743,554	17,621,000
6. Title XVIII - Medicare	10,339,993	65,615,568	278,878	13,707,122	10,618,871	12,304,173
7. Title XIX - Medicaid					0	
8. Other health		25,636,689		100,913	0	124,558
9. Health subtotal (Lines 1 to 8)	90,511,916	731,020,562	2,150,584	122,055,160	92,662,500	114,026,807
10. Healthcare receivables (a)	1,221,229	9,863,268			1,221,229	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9-10+11+12)	89,290,687	721,157,294	2,150,584	122,055,160	91,441,271	114,026,807

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Arkansas Blue Cross and Blue Shield are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department.

The Arkansas Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Arkansas Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the Arkansas Insurance Department.

For reporting periods ending on December 31, 2004 and later, Arkansas Blue Cross and Blue Shield is reporting its post-employment liabilities and expenses using accounting principles generally accepted in the United States of America. These principles are governed primarily by Financial Accounting Standard 106. This departure from statutory accounting principles was approved by the Arkansas Insurance Department in a letter dated December 30, 2004 in accordance with ACA Sec 23-61-108. Arkansas Blue Cross and Blue Shield adopted Financial Accounting Standard 158 for its 2007 fiscal year end. FAS 158 improves financial reporting by requiring an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in requiring an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. For postretirement benefit plans other than pension, the benefit obligation is the accumulated postretirement benefit obligation (APBO).

	State of Domicile - AR	2012	2011
NET INCOME			
(1) Arkansas Blue Cross and Blue Shield state basis (Page 4, Line 32, Columns 2 & 3)		26,925,014	35,850,765
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		0	0
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		0	0
(4) NAIC SAP (1-2-3=4)		26,925,014	35,850,765
SURPLUS			
(5) Arkansas Blue Cross and Blue Shield state basis (Page 3, Line 33, Columns 3&4)		618,530,972	581,658,383
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		0	0
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		63,800,000	63,800,000
(8) NAIC SAP (5-6-7=8)		682,330,972	645,458,383

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

D. The Company has no loan-backed securities at this time.

NOTES TO FINANCIAL STATEMENTS

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

USAble Mutual Insurance Company files a consolidated federal income tax return with its other eligible domestic subsidiaries, USAble Corporation, Pinnacle Business Solutions, Inc. and Group Service Underwriters, Inc. The company is party to a federal income tax allocation agreement. Under the tax sharing agreement, the Company pays to or receives from each subsidiary the amount, if any, by which the group's federal income tax liability was affected by virtue of inclusion of the subsidiary in the consolidated federal return. Effectively, this results in the Company's annual income tax provision being computed, with adjustments, as if the Company filed a separate return.

The method of allocation of consolidated tax liability between the companies has been approved by the required authorized officers. The method of allocation chosen is in accordance with Internal Revenue Service Regulation 1.1502-33(d) (2) (I) whereby profitable companies pay tax according to their separate return liabilities, and loss companies are credited with the tax benefit realized due to the utilization of their losses and investment tax credit. Intercompany tax balances are paid quarterly based on estimates and settled annually upon the completion of the consolidated tax return.

When available, the Company utilizes net operating loss carry forwards to offset taxable income under the terms of the tax sharing agreement. At December 31, 2011, the Company had $0 of operating loss carry forwards.

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

	Ordinary	Capital	Total
2012	8,607,874	1,695,837	10,303,711
2011	29,834,836	3,177,455	33,012,291
2010	20,046,907	698,082	20,744,989

The components of current income tax expense are as follows:

	2012	2011
Federal	$ 10,058,498	$ 15,985,590
Foreign	$ -	$ -
Federal Income Tax on net capital gains	$ 1,695,837	$ 3,065,815
Utilization of capital loss carry-forwards		
Federal & Foreign income tax incurred	$ 11,754,335	$ 19,051,405

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:

	September 30, 2012	Effective Tax Rate
Provision computed at statutory rate	$ 13,537,772	35.0%
Tax exempt income deduction	0	0
Dividends received deduction	(443,821)	-1.1%
Tax differentials on foreign earnings	0	0
Nondeductible expenses	42,589	0.1%
Tax Credits	(121,683)	-0.34%
Rate Differential	0	0.0%
Other	3,054,954	7.9%
Total	$ 16,069,810	41.5%
Federal and foreign income taxes incurred	$ 11,754,335	30.4%
Change in net deferred income taxes	4,315,475	11.2%
Total statutory income taxes	$ 16,069,811	41.5%

NOTES TO FINANCIAL STATEMENTS

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

	September 30, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total of all deferred tax assets (admitted and nonadmitted)	96,307,517	12,682,404	108,989,920	100,412,584	12,682,404	113,094,988	(4,105,067)	(0)	(4,105,068)
Total of all deferred tax liabilities	369,221	31,728,502	32,097,723	392,097	31,156,848	31,548,945	(22,876)	571,654	548,778
Net deferred tax asset (liability)	95,938,296	(19,046,098)	76,892,197	100,020,487	(18,474,444)	81,546,043	(4,082,191)	(571,654)	(4,653,846)
Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	78,938,246	0	78,938,246	82,879,214	0	82,879,214	(3,940,968)	0	(3,940,968)
Net admitted deferred tax asset/(liability)	17,000,050	(19,046,098)	(2,046,049)	17,141,273	(18,474,444)	(1,333,171)	(141,223)	(571,654)	(712,878)

The Company has elected to admit DTAs pursuant to paragraph 10.e. in the current year. This election is consistent with the prior year. The components of the calculation are as follows:

Admission Calculation Components:
SSAP No. 10R, Paragraphs 10a., 10b., and 10.c:

	September 30, ,2012			December 31,2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP No. 10R, Paragraph 10.a	13,767,928	0	13,767,928	13,552,978	0	13,552,978	214,950	0	214,950
SSAP No. 10R, Paragraph 10.b (the lesser of paragraph 10.b.i and 10.b.ii. below)	0	0	0	0	0	0	0	0	0
SSAP No. 10R, Paragraph 10.b.i.	0	0	0	0	0	0	0	0	0
SSAP No. 10R, Paragraph 10.b.ii.	0	0	0	0	0	0	0	0	0
SSAP No. 10R, Paragraph 10.c.	369,221	12,682,404	13,051,625	392,097	12,682,404	13,074,501	(22,876)	(0)	(22,876)
Total	14,137,149	12,682,404	26,819,552	13,945,075	12,682,404	26,627,479	192,074	(0)	192,074

Admission Calculation Components:
SSAP No. 10R, Paragraphs 10.e.:

	September 30, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP No. 10R, Paragraph 10.e.i.	17,000,050	0	17,000,050	17,141,273	0	17,141,273	(141,223)	0	(141,223)
SSAP No. 10R, Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a and 10.e.ii.b. below)	0	0	0	0	0	0	0	0	0
SSAP No. 10R, Paragraph 10.e.ii.a	0	0	0	0	0	0	0	0	0
SSAP No. 10R, Paragraph 10.e.ii.b	0	0	0	0	0	0	0	0	0
SSAP No. 10R, Paragraph 10.e.iii.	369,221	12,682,404	13,051,625	392,097	12,682,404	13,074,501	(22,876)	(0)	(22,876)
Total	17,369,271	12,682,404	30,051,674	17,533,370	12,682,404	30,215,774	(164,099)	(0)	(164,100)

Used in SSAP No. 10R, Paragraph 10.d.

	September 30, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total Adjusted Capital	XXXX	XXXX	581,658,383	XXXX	XXXX	572,046,866	XXXX	XXXX	9,611,517
Authorized Control Level	XXXX	XXXX	65,001,055	XXXX	XXXX	64,583,475	XXXX	XXXX	417,580

Increase in Admitted Deferred Tax Asset due to SSAP No. 10R, Paragraph 10.e.

	September 30, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted DTA under paragraph 10.a., 10.b., and 10.c.	14,137,149	12,682,404	26,819,552	13,945,075	12,682,404	26,627,479	192,074	(0)	192,074
Admitted DTA under paragraph 10.e	17,369,271	12,682,404	30,051,674	17,533,370	12,682,404	30,215,774	(164,099)	(0)	(164,100)
Increase	3,232,122	0	3,232,122	3,588,295	0	3,588,295	(356,173)	0	(356,173)

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

	September 30, 2012	December 31, 2011	Change
Deferred Tax Assets:			
(a) ***Ordinary***			
Tax basis discount on unpaid losses	616,250	669,055	(52,805)
Adjustment for deferred acquisition costs	6,681,964	6,542,290	139,675
Accrued deferred compensation	14,407,810	19,849,871	(5,442,061)
Other Post Employment Benefits	65,212,354	62,537,304	2,675,050
Depreciable assets	2,531,986	4,113,405	(1,581,419)
Other	6,857,153	6,700,659	156,493
Total ordinary deferred tax assets	96,307,517	100,412,584	(4,105,067)
Total deferred ordinary tax assets non-admitted	78,938,246	82,879,214	(3,940,968)
Admitted ordinary deferred tax assets	17,369,271	17,533,370	(164,099)

NOTES TO FINANCIAL STATEMENTS

(b) ***Capital***			
Intangibles	3,232,468	3,232,468	(0)
Basis difference in partnership investments	1,100,040	1,100,040	(0(
Basis difference in partnership investments-LSV	-	-	-
Unrealized Gain/Loss on partnerships-LSV	-	-	-
Other than Temp Investment Impairments	6,095,156	6,095,156	(0)
Other	2,254,740	2,254,740	(0)
Total capital deferred tax assets	12,682,404	12,682,404	(0)
Total deferred capital tax assets non-admitted	-	-	-
Admitted capital deferred tax assets	12,682,404	12,682,404	(0)
Total admitted deferred tax assets	30,051,674	30,215,774	(164,099)
Deferred Tax Liabilities:			
(a) ***Ordinary***			
Accrued dividends	58,655	81,530	(22,876)
Discount Amortization	310,566	310,566	(0)
Total ordinary deferred tax liabilities	369,221	392,097	(22,876)
(b) ***Capital***			
Unrealized Capital Gains	13,657,416	13,684,734	(27,318)
Basis difference in partnership investments-LSV	4,918,270	4,066,907	851,363
Unrealized Gain/Loss on partnerships-LSV	(1,134,387)	(679,540)	(454,847)
Basis diff in Unconsolidated Subs	14,129,117	13,903,724	225,393
Unrealized Gain/Loss on Unconsolid Subs	158,087	181,024	(22,937)
Total capital deferred tax liabilities	31,728,502	31,156,848	571,654
Total deferred tax liabilities	32,097,723	31,548,945	548,778
Net admitted deferred tax asset/(liability)	(2,046,049)	(1,333,171)	(712,877)

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

	September, 2012	December 31, 2011	Change
Total deferred tax assets	108,989,920	113,094,988	(4,105,067)
Total deferred tax liabilities	32,097,723	31,548,945	548,778
Net deferred tax asset (liability)	$ 76,892,197	$ 81,546,043	$ (4,653,845)
Tax effect of unreal gains (losses)-portfolio			(27,318)
Tax effect of unreal gains (losses)-other inv			(477,784)
Tax effect of unreal gains (losses)-SSP	(607,634)	235,837	843,471
Tax effect of unreal gains (losses)-FAS 158	22,011,150	22,011,150	(0)
Tax effect of transfer of subsidiary liability			-
Change in net deferred income tax			$ (4,315,476)

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

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.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

Note 14 - Contingencies

No significant change.

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. The Company has not been involved in any sale, transfer and servicing of financial assets and extinguishments of liabilities as September 30, 2012.

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 - Fair Value

A. 1. Fair Value Measurements at Reporting Date

Description	Level 1	Level 2	Level 3	Total
a. Assets at Fair Value				
Common Stock	$ 79,205,454	$33,479,202	$ 4,939,516	$117,624,172
Preferred Stock	-0-	-0-	-0-	$ -0-
Supplemental Savings Plan	$ 23,691,156	-0-	-0-	$ 23,691,156
Total Assets at Fair Value	$102,896,610	$33,479,202	$4,939,516	$141,315,328

2.

Balance at 1/1/2012	Gain/Losses Included in Net Income or Surplus	Purchases (Sales)	Balance at 09/30/12
$4,939,516	$ -0-	-0-	$4,939,516

3. The company does not have any transfers between levels of fair value measurement.

4. As of September 30, 2012, the reported fair value of the Company's equity investments in Level 2 common stock was $33,479,202. Of these securities, $32,151,568 are foreign common shares. To measure the fair value of each equity investment position, the Company used closing primary exchange trading prices in U.S. dollars at the end of trading 09/30/2012.

As of September 30, 2012, the reported fair value of the Company's investments in Level 3 common stock was $4,939,516. The accounting method for each of these holdings was changed to the Equity Method and these assets will be carried at historical cost because the Company does not own in excess of 20% of all shares in either equity investment.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The company's participation in the Medicare Advantage and Medicare Part D program includes a risk sharing provision with CMS. The company estimates accrued retrospective premium adjustments for its Medicare Advantage and Medicare Part D products through a prescribed formula approach. CMS adjusts its payments to the company based on how actual benefit costs varied from the costs anticipated in the company's bid for the Medicare Advantage and Medicare Part D products.

The company also has health insurance business that is subject to a medical loss ratio pursuant to the Public Health Service Act.

B. The company records accrued retrospective premium as an adjustment to earned premium.

C. The amount of net premiums written by the company at September 30, 2012 that are subject to retrospective rating features was $829 million that represented 84% of the total net premium written. No other net premium written by the company are subject to retrospective rating features.

D.

		1	2	3	4	5
		Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
	Prior Reporting Year					
(1)	Medical loss ratio rebates incurred		3,366,085			3,366,085
(2)	Medical loss ratio rebates paid					
(3)	Medical loss ratio rebates unpaid		3,366,085			3,366,085
(4)	Plus reinsurance assumed amounts		593,597			593,597
(5)	Less reinsurance ceded amounts					
(6)	Rebates unpaid net of reinsurance		3,959,682			3,959,682
	Current Reporting Year-to-Date					
(7)	Medical loss ratio rebates incurred		2,760,306			2,760,306
(8)	Medical loss ratio rebates paid		4,902,008			4,902,008
(9)	Medical loss ratio rebates unpaid		1,224,383			1,224,383
(10)	Plus reinsurance assumed amounts		343,144			343,144
(11)	Less reinsurance ceded amounts					
(12)	Rebates unpaid net of reinsurance		1,407,820			1,407,820

NOTES TO FINANCIAL STATEMENTS

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2011 were $114,026,807. As of September 30, 2012, $90,511,917 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $2,150,584 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on all lines of insurance. Therefore, there has been a $21,364,306 (favorable) prior year development since December 31, 2011 to September 30, 2012. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this increase, the Company experienced $0 of unfavorable/favorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

Not applicable.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - Anticipated Salvage and Subrogation

No significant change.

GENERAL INTERROGATORIES

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 [X] No [ ]
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 [ ] N/A [X]
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. 12/31/2010.....

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. 12/31/2010.....

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). 5/17/2012.....

6.4 By what department or departments?
Arkansas Insurance Department
Arkansas Insurance Department

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 [ ] No [ ] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

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 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 FDIC	6 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]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

PART 1 - 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: $.....0

PART 1 - 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 [X]

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

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 189,091,287	$ 191,689,401
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 72,038,891	$ 71,878,335
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 261,130,178	$ 263,567,736
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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

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

16. Excluding items in Schedule E-Part 3-Special Deposits, 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
US Bank Institutional Trust & Custody	PO Box 387, St. Louis, MO 63166-0387

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
116359	Foundation Resource Management	401 W. Capitol, Suite 501, Little Rock, AR 72201

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

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent	81.4 %
1.2 A&H cost containment percent	(2.3)%
1.3 A&H expense percent excluding cost containment expenses	15.0 %

2.1	Do you act as a custodian for health savings accounts?	Yes [ ]	No [X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.		0
2.3	Do you act as an administrator for health savings accounts?	Yes [ ]	No [X]
2.4	If yes, please provide the amount of funds administered as of the reporting date.		0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (YES or NO)

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.	Active Status	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	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	L	760,194,591	6,016,309		166,381,316			932,592,216	
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	760,194,591	6,016,309	0	166,381,316	0	0	932,592,216	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	760,194,591	6,016,309	0	166,381,316	0	0	932,592,216	0

DETAILS OF WRITE-INS

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

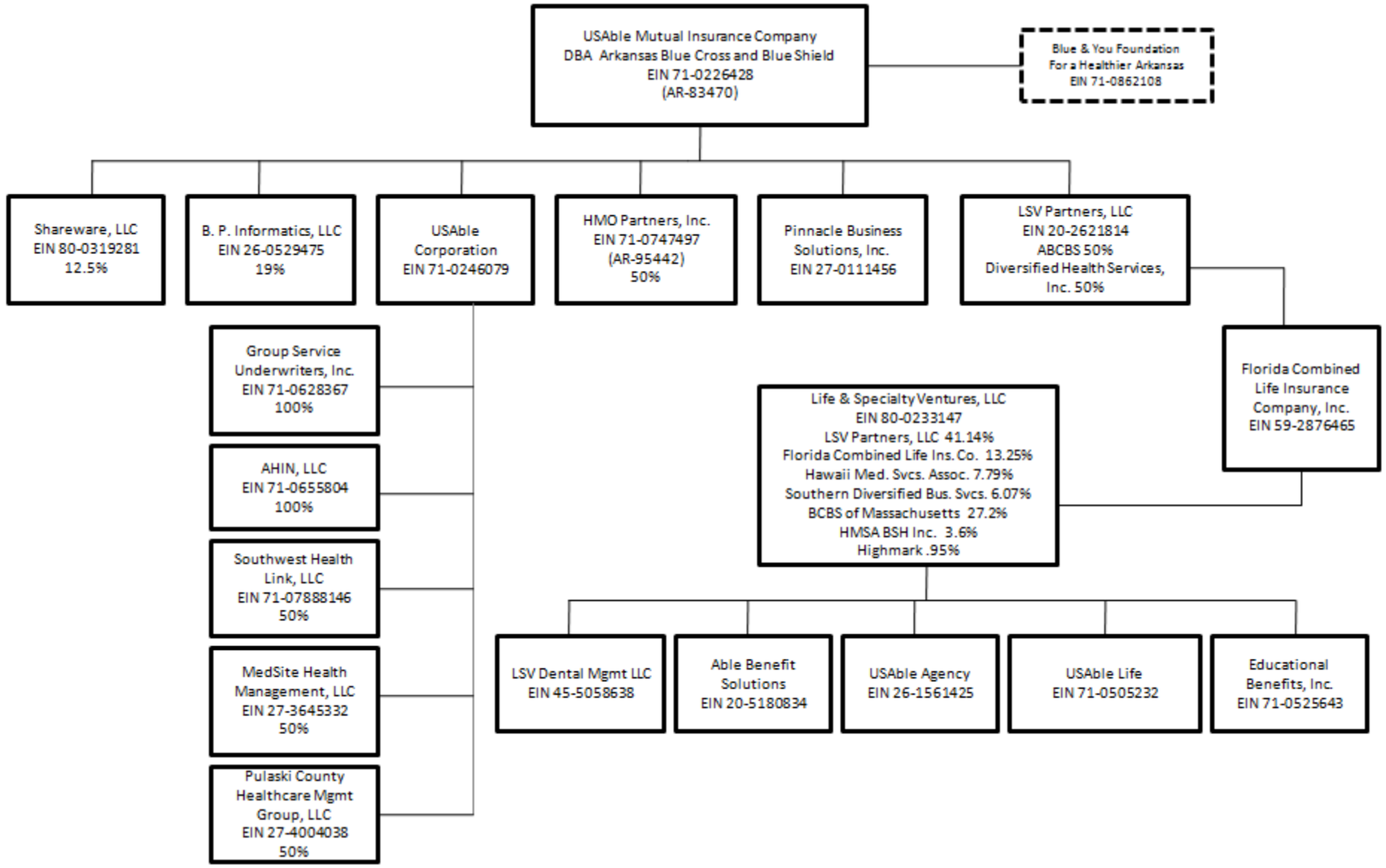
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
Members														
0876	USAble Mutual Insurance Company	83470	71-0226428				USAble Mutual Insurance Company	AR		USAble Mutual Insurance Company	Board		USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0862108				Blue & You Foundation	AR	NIA	USAble Mutual Insurance Company	Ownership, Board, Influence		USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		80-0319281				Shareware, LLC	AR	DS	USAble Mutual Insurance Company	Ownership, Influence	12.500	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		26-0529475				B.P. Informatics, LLC	AR	DS	USAble Mutual Insurance Company	Ownership, Influence, Board	19.085	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0246079				USAble Corporation	AR	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company	95442	71-0747497				HMO Partners, Inc.	AR	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		27-0111456				Pinnacle Business Solutions	AR	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		20-2621814				LSV Partners, LLC	DE	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0628367				Group Service Underwriters, Inc.	AR	DS	USAble Corporation	Ownership, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0655804				AHIN, LLC	AR	DS	USAble Corporation	Ownership, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0788146				Southwest Health Link, LLC	AR	DS	USAble Corporation	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		27-3645332				MedSite Health Management, LLC	AR	DS	USAble Corporation	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		27-4004038				Pulaski County Healthcare Mgmt Group LLC	AR	DS	USAble Corporation	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company	76031	59-2876465				Florida Combined Life Insurance Co, Inc.	FL	IA	LSV Partners, Inc.	Ownership, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		80-0233147				Life & Specialty Ventures, Inc.	DE	NIA	Florida Combined Life Insurance Co, Inc.	Ownership	13.250	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		80-0233147				Life & Specialty Ventures, Inc.	DE	NIA	LSV Partners, Inc.	Ownership, Board, Influence	41.140	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		45-5058638				LSV Dental Management LLC	AR	NIA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		20-5180834				Able Benefit Solutions	AR	NIA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		26-1561425				USAble Agency	AR	NIA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company	94358	71-0505232				USAble Life	AR	IA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0525643				Educational Benefits, Inc.	AR	NIA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *

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?	YES

Explanation:

1.

Bar Code:

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. National Accounts Receivable			0	
2597. Summary of remaining write-ins for Line 25	0	0	0	0

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	40,076,353	41,290,338
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition	681,864	
3. Current year change in encumbrances		2,128,669
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	2,611,860	3,342,654
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	38,146,357	40,076,353
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	38,146,357	40,076,353

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
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		
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. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	72,038,890	67,804,330
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		670,558
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	(160,555)	3,564,003
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
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)	71,878,335	72,038,890
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	71,878,335	72,038,890

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	556,328,782	607,371,042
2. Cost of bonds and stocks acquired	92,638,341	117,275,344
3. Accrual of discount	256,529	417,150
4. Unrealized valuation increase (decrease)	1,930,978	(16,477,471)
5. Total gain (loss) on disposals	4,764,927	13,100,646
6. Deduct consideration for bonds and stocks disposed of	51,398,012	155,121,959
7. Deduct amortization of premium	2,231,938	2,024,115
8. Total foreign exchange change in book/adjusted carrying value	589,081	(1,116,351)
9. Deduct current year's other than temporary impairment recognized		7,095,504
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	602,878,687	556,328,782
11. Deduct total nonadmitted amounts	16,059,910	17,742,874
12. Statement value at end of current period (Line 10 minus Line 11)	586,818,777	538,585,908

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 (a)	506,613,825	381,296,039	366,412,801	318,583	491,921,738	506,613,825	521,815,646	483,714,648
2. Class 2 (a)	36,128,621	1,192,370	246,530	(90,101)	33,105,952	36,128,621	36,984,360	30,420,901
3. Class 3 (a)	1,621,791			816	1,620,980	1,621,791	1,622,607	1,620,190
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	544,364,237	382,488,409	366,659,331	229,298	526,648,670	544,364,237	560,422,613	515,755,739
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5	346,562		163,137	(183,426)	324,074	346,562		278,852
13. Class 6								
14. Total Preferred Stock	346,562	0	163,137	(183,426)	324,074	346,562	0	278,852
15. Total Bonds and Preferred Stock	544,710,799	382,488,409	366,822,468	45,872	526,972,744	544,710,799	560,422,613	516,034,591

(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 $.....18,758,217; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE DA - PART 1

Short-Term Investments

	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
9199999. Totals	268,638,262	XXX	268,638,262		

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	261,677,747	179,780,428
2. Cost of short-term investments acquired	1,049,342,427	1,251,134,396
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	1,042,381,913	1,169,237,076
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
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)	268,638,262	261,677,747
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	268,638,262	261,677,747

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

Sch. E-Verification
NONE

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired 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 - U.S. Special Revenue and Special Assessment									
04108K QP 6	Ark St DF&A Rev Pre-Ref Tax Exempt		09/20/2012	Morgan Keegan		450,618	420,000	6,650	1FE
04108K QN 1	Ark St DF&A Rev PreRef Tax Exempt		09/20/2012	Morgan Keegan		293,832	275,000	4,028	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments					744,450	695,000	10,678	XXX
Bonds - Industrial and Miscellaneous									
031162 AV 2	Amgen Inc.		09/12/2012	Morgan Keegan		1,192,370	1,000,000	17,225	2FE
110122 AS 7	Bristol-Myers Squibb Co.		07/26/2012	CitiGroup		990,910	1,000,000		1FE
141781 BA 1	Cargill Inc.		09/24/2012	Morgan Keegan		1,541,865	1,500,000	2,058	1FE
539830 AX 7	Lockheed Martin Corp.		07/10/2012	Merrill Lynch		518,870	500,000	3,483	1FE
806605 AJ 0	Merck & Co Inc.		09/25/2012	Morgan Keegan		4,948,000	4,000,000	8,667	1FE
755111 BV 2	Raytheon Co.		07/27/2012	Merrill Lynch		657,518	644,000	1,152	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					9,849,533	8,644,000	32,585	XXX
8399997.	Total - Bonds - Part 3					10,593,983	9,339,000	43,263	XXX
8399999.	Total - Bonds					10,593,983	9,339,000	43,263	XXX
Common Stocks - Industrial and Miscellaneous									
24702R 10 1	Dell Inc.		09/27/2012	Merrill Lynch	175,600.000	1,748,738	XXX		L
428236 10 3	Hewlett Packard Co.		07/26/2012	Union Bank Switzerland	66,700.000	1,201,308	XXX		L
529771 10 7	Lexmark International Group Inc.		07/20/2012	Merrill Lynch	26,000.000	513,796	XXX		L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					3,463,842	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					3,463,842	XXX	0	XXX
9799999.	Total - Common Stocks					3,463,842	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					3,463,842	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					14,057,825	XXX	43,263	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 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	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. States, Territories and Possessions																					
082761 LZ 8	Benton AR Sch Dist 8 GO Tax-Exempt		08/01/2012	CALLED @ 100.0000000		250,000	250,000	252,033			(2,033)		(2,033)		250,000			0	5,156	02/01/2025	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					250,000	250,000	252,033	0	0	(2,033)	0	(2,033)	0	250,000	0	0	0	5,156	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
167485 MP 3	Chicago IL GO (Exempt) Pre-Refunde		07/02/2012	CALLED @ 100.0000000		3,395,000	3,395,000	3,730,053	3,436,093		(41,093)		(41,093)		3,395,000			0	190,969	01/01/2039	1FE
775082 WD 8	Rogers AR SD 30 Constr PreRe TaxEx		08/01/2012	CALLED @ 100.0000000		1,870,000	1,870,000	1,888,897			(18,897)		(18,897)		1,870,000			0	40,906	02/01/2033	1FE
2499999.	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions					5,265,000	5,265,000	5,618,950	3,436,093	0	(59,990)	0	(59,990)	0	5,265,000	0	0	0	231,875	XXX	XXX
Bonds - Industrial and Miscellaneous																					
20825C AS 3	Conoco Phillips		08/21/2012	Called		3,588,508	3,391,000	3,601,062	3,507,373		(35,023)		(35,023)		3,472,350		116,159	116,159	168,231	02/01/2014	1FE
812293 AB 4	Seariver Maritime Finl Hlds Inc		09/01/2012	MATURITY		3,945,840	4,000,000	3,945,840	3,945,840				0		3,945,840			0	54,160	09/01/2012	1FE
84474E AB 6	Southwest Airlines 93-A Trust		07/02/2012	Same As Description		240,107	240,107	251,873	247,493		(963)		(963)		246,530		(6,423)	(6,423)	9,052	06/29/2015	2FE
3899999.	Total - Bonds - Industrial & Miscellaneous					7,774,455	7,631,107	7,798,775	7,700,706	0	(35,986)	0	(35,986)	0	7,664,720	0	109,736	109,736	231,443	XXX	XXX
8399997.	Total - Bonds - Part 4					13,289,455	13,146,107	13,669,758	11,136,799	0	(98,009)	0	(98,009)	0	13,179,720	0	109,736	109,736	468,474	XXX	XXX
8399999.	Total - Bonds					13,289,455	13,146,107	13,669,758	11,136,799	0	(98,009)	0	(98,009)	0	13,179,720	0	109,736	109,736	468,474	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous																					
02005N 60 5	Ally Fin Perp Pfd Srs G 7.00% 144A		08/27/2012	Cantor Fitzgerald	389.000	342,312		163,137	278,852	(115,715)			(115,715)		163,137		179,175	179,175	20,423	XXX	
8499999.	Total - Preferred Stocks - Industrial & Miscellaneous					342,312	XXX	163,137	278,852	(115,715)	0	0	(115,715)	0	163,137	0	179,175	179,175	20,423	XXX	XXX
8999997.	Total - Preferred Stocks - Part 4					342,312	XXX	163,137	278,852	(115,715)	0	0	(115,715)	0	163,137	0	179,175	179,175	20,423	XXX	XXX
8999999.	Total - Preferred Stocks					342,312	XXX	163,137	278,852	(115,715)	0	0	(115,715)	0	163,137	0	179,175	179,175	20,423	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
13645T 10 0	Canadian Pacific Railway	A	08/06/2012	Merrill Lynch	42,900.000	3,546,383	XXX	699,507	2,903,043	(2,203,536)			(2,203,536)		699,507		2,846,876	2,846,876	34,627	XXX	L
G7945M 10 7	Seagate Technology	F	08/09/2012	Cantor Fitzgerald	54,800.000	1,783,722	XXX	646,465	898,720	(252,255)			(252,255)		646,465		1,137,257	1,137,257	27,400	XXX	L
88018T 10 1	Templeton Dragon Fund-Closed End		09/29/2012	CAPITAL GAIN		32,753	XXX						0				32,753	32,753		XXX	L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					5,362,858	XXX	1,345,972	3,801,763	(2,455,791)	0	0	(2,455,791)	0	1,345,972	0	4,016,886	4,016,886	62,027	XXX	XXX
9799997	Total - Common Stocks - Part 4					5,362,858	XXX	1,345,972	3,801,763	(2,455,791)	0	0	(2,455,791)	0	1,345,972	0	4,016,886	4,016,886	62,027	XXX	XXX
9799999.	Total - Common Stocks					5,362,858	XXX	1,345,972	3,801,763	(2,455,791)	0	0	(2,455,791)	0	1,345,972	0	4,016,886	4,016,886	62,027	XXX	XXX
9899999.	Total - Preferred and Common Stocks					5,705,170	XXX	1,509,109	4,080,615	(2,571,506)	0	0	(2,571,506)	0	1,509,109	0	4,196,061	4,196,061	82,450	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					18,994,625	XXX	15,178,867	15,217,414	(2,571,506)	(98,009)	0	(2,669,515)	0	14,688,829	0	4,305,797	4,305,797	550,924	XXX	XXX

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

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1B-Broker List
NONE

Sch. DB-Pt D
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter 6 First Month	7 Second Month	8 Third Month	9 *
Open Depositories									
Bank of America	Little Rock, AR					35,045	4,954	40,036	XXX
MAPD ACH						75,777	12,228	74,211	XXX
MAPD Lockbox							-		XXX
MAPD Claim Refunds						(499,713)	(468,216)	(240,370)	XXX
MAPD Claims							-	(132)	XXX
MAPD EFT						17,989	12,977	234,848	XXX
CASH-PART D ACH						392,391	30,386	339,288	XXX
CASH-PART D LOCKBOX						4,609,384	7,592,937	377,623	XXX
General						527,752	(4,995,099)	(3,442,238)	XXX
Payroll						10,692	(69,520)	(63,264)	XXX
PCIP Claims Account						2,680	4,443	24,130	XXX
PCIP Lockbox Account							-		XXX
Workers Compensation						(2,354,097)	(373,498)	(191,580)	XXX
Premium Rebate Fund-BOA							-		XXX
FEP Standard EFT							-		XXX
FEP EFT Basic Option							191	(689)	XXX
ASSIGNED GCPS EFT ACC							-	(103)	XXX
Assigned Medipak EFT						176,397	176,625	183,460	XXX
Long Term Care							-		XXX
Medicare Part D							-		XXX
USAA NON BRANDED TPA						4,864,615	3,127,359	18,051,210	XXX
CASH-BOATMEN'S OPER A						176,616	347,596	226,272	XXX
CASH-BOATMEN'S REFUND						5,408,392	6,630,513	7,540,075	XXX
CASH-AMISYS TPA CLAIMS						1,179,398	(3,664)	675,591	XXX
CASH-CHIP ACCOUNT						21,853,770	35,658,982	23,071,546	XXX
CASH-WALMART CLAIMS A						20,365	3,133	224,707	XXX
CASH-USABLE CORP CHIP									XXX
Bank of America	Vandalia, MO					(1,207,237)	(1,481,953)	(3,071,762)	XXX
Accounts Payable						(398,625)	(367,396)	(280,421)	XXX
Assigned Benefits EFT						(163,500)	(239,826)	(268,290)	XXX
Unassigned Benefits									XXX
Simmons	Pine Bluff, AR					(354,584)	(767,263)	(572,715)	XXX
Hospital						(467,916)	(570,757)	(517,739)	XXX
Assigned Medipak						(265,507)	(292,555)	(320,907)	XXX
Unassigned Medipak							267,927	63,045	XXX
Bank Fund Account						(208,602)	-		XXX
Accounts Payable						311,635	300,955	301,567	XXX
FEP Investment Acct						(377,830)	(404,449)	(314,971)	XXX
FEP Standard Option						(166,491)	(133,815)	(167,904)	XXX
FEP Basic Option									XXX
U.S. Bank	St Louis, MO					2,513,413	979,787	2,094,146	XXX
Membrs Lockbox									XXX
0199998. Deposits in.....58 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories		XXX	XXX	3,357		2,330,000	2,330,000	2,330,000	XXX
0199999. Total Open Depositories		XXX	XXX	3,357	0	38,042,209	47,312,981	46,398,671	XXX
0399999. Total Cash on Deposit		XXX	XXX	3,357	0	38,042,209	47,312,981	46,398,671	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	XXX	7,550	7,550	7,550	XXX
0599999. Total Cash		XXX	XXX	3,357	0	38,049,758	47,320,531	46,406,221	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 Amount Received During Year

NONE

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code.....876 NAIC Company Code.....83470

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums collected	35,923,076	XXX	108,745	XXX	36,031,821
2. Earned premiums	34,592,452	XXX	99,677	XXX	XXX
3. Claims paid	28,621,681	XXX	58,312	XXX	28,679,993
4. Claims incurred	31,937,215	XXX	63,461	XXX	XXX
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a)	XXX		XXX		0
6. Aggregate policy reserves - change		XXX		XXX	XXX
7. Expenses paid	5,961,705	XXX	34,769	XXX	5,996,474
8. Expenses incurred	5,997,433	XXX	35,354	XXX	XXX
9. Underwriting gain or loss	(3,342,196)	XXX	862	XXX	XXX
10. Cash flow results	XXX	XXX	XXX	XXX	1,355,354

(a) Uninsured Receivable/Payable with CMS at End of Quarter $.....0 due from CMS or $.....0 due to CMS.