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HEALTH QUARTERLY STATEMENT

As of March 31, 2012

of the Condition and Affairs of the

HMO Partners, Inc

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

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

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

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

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

OFFICERS

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

OTHER

James Sterling Adamson Jr. MD	Chairman	Robert Cecil Roberts	Vice Chairman
Russell Doyne Harrington Jr.	Secretary	Gray Donald Dillard	Treasurer
Clement Wade Fox MD	Assistant Secretary	John Charles Glassford Jr. #	Assistant Secretary

DIRECTORS OR TRUSTEES

James Sterling Adamson Jr. MD	Sharon Kay Allen	Richard Allen Calhoun Jr. MD	David Warren Cobb R.PH.
Richard Loyd Gore DDS	Russell Doyne Harrington Jr.	Nikita Jean Wilson RN	Sherman Ellis Tate
Robert Cecil Roberts	Michael David Voss	Paul Mark White	James Robert Bailey
David Frank Bridges	Michael Wayne Brown	James Bruce Hazlewood MD	Merlin Moody Hagan
Clement Wade Fox MD	Robert Lee Trammel	Thomas Matthew Kovaleski MD #	Jim Loyd English MD
John Charles Glassford Jr.			

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

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

(Signature)	(Signature)	(Signature)
David Frank Bridges	Gray Donald Dillard	Scott Bradley Winter
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Vice President/CFO	Assistant Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This _____ day of _____

a. Is this an original filing? Yes [X] No [ ]

b. If no: 1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	59,676,723		59,676,723	56,553,170
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	23,263,847		23,263,847	22,046,615
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....5,035,199), cash equivalents ($.....0) and short-term investments ($.....32,211,118)	37,246,317		37,246,317	40,971,713
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	120,186,887	0	120,186,887	119,571,498
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	706,826		706,826	627,965
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,122,902	65,733	2,057,169	1,868,506
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	312,685		312,685	148,069
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	9,275,853	139,306	9,136,547	17,993,330
18.1 Current federal and foreign income tax recoverable and interest thereon	2,131,991		2,131,991	2,131,991
18.2 Net deferred tax asset			0	
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($.....0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	40,003		40,003	40,003
24. Health care ($.....903,342) and other amounts receivable	1,792,687	617,658	1,175,029	1,139,413
25. Aggregate write-ins for other than invested assets	2,495,902	0	2,495,902	2,488,217
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	139,065,736	822,697	138,243,039	146,008,992
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	139,065,736	822,697	138,243,039	146,008,992

DETAILS OF WRITE-INS

1101.			0	
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)	0	0	0	0
2501. Supplemental Savings Plan	2,495,902		2,495,902	2,488,217
2502.			0	
2503.			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)	2,495,902	0	2,495,902	2,488,217

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $.....5,930,761 reinsurance ceded)	12,368,242		12,368,242	20,416,210
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses	851,212		851,212	791,986
4. Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act			0	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	3,327,969		3,327,969	2,873,366
9. General expenses due or accrued	268,295		268,295	126,992
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	941,199		941,199	
10.2 Net deferred tax liability	2,019,696		2,019,696	1,720,983
11. Ceded reinsurance premiums payable	173,309		173,309	183,363
12. Amounts withheld or retained for the account of others	5,746,219		5,746,219	5,359,714
13. Remittances and items not allocated	599,632		599,632	309,920
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	5,647,729		5,647,729	6,790,772
16. Derivatives			0	
17. Payable for securities			0	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties with ($.....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	2,587,178		2,587,178	5,029,368
23. Aggregate write-ins for other liabilities (including $.....377,666 current)	377,665	0	377,665	401,791
24. Total liabilities (Lines 1 to 23)	34,908,345	0	34,908,345	44,004,465
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	10,000	10,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	1,919,153	1,919,153
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	101,405,541	100,075,374
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	103,334,694	102,004,527
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	138,243,039	146,008,992

DETAILS OF WRITE-INS

2301. Unclaimed property	152,862		152,862	152,862
2302. Miscellaneous payables	224,803		224,803	248,929
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	377,665	0	377,665	401,791
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	130,416	136,634	549,064
2. Net premium income (including $.....0 non-health premium income)	XXX	34,816,016	35,619,352	143,801,757
3. Change in unearned premium reserves and reserve for rate credits	XXX			
4. Fee-for-service (net of $.....0 medical expenses)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	34,816,016	35,619,352	143,801,757
Hospital and Medical:				
9. Hospital/medical benefits		27,621,457	30,887,270	118,631,694
10. Other professional services				
11. Outside referrals		451,580	448,515	2,660,618
12. Emergency room and out-of-area		5,843,709	2,763,384	12,592,975
13. Prescription drugs		9,923,019	8,579,279	37,487,654
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	43,839,765	42,678,448	171,372,941
Less:				
17. Net reinsurance recoveries		14,770,404	14,490,855	55,674,812
18. Total hospital and medical (Lines 16 minus 17)	0	29,069,361	28,187,593	115,698,129
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....541,365 cost containment expenses		812,047	847,968	4,065,181
21. General administrative expenses		3,054,842	2,887,571	14,033,271
22. Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)	0	32,936,250	31,923,132	133,796,581
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	1,879,766	3,696,220	10,005,176
25. Net investment income earned		609,687	574,325	2,333,353
26. Net realized capital gains (losses) less capital gains tax of $.....186,718		346,761	678,991	594,492
27. Net investment gains or (losses) (Lines 25 plus 26)	0	956,448	1,253,316	2,927,845
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	54,851	91,382	257,780
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	2,891,065	5,040,918	13,190,801
31. Federal and foreign income taxes incurred	XXX	754,481	1,494,547	4,473,706
32. Net income (loss) (Lines 30 minus 31)	XXX	2,136,584	3,546,371	8,717,095

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. Licensing fee income		40,003	40,003	160,000
2902. Miscellaneous Income		14,848	51,379	97,780
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	54,851	91,382	257,780

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	102,004,530	95,626,307	95,626,307
34. Net income or (loss) from Line 32	2,136,584	3,546,371	8,717,095
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	452,196	(198,662)	(2,339,936)
37. Change in net unrealized foreign exchange capital gain or (loss)	98,556	150,865	(101,460)
38. Change in net deferred income tax	1,800	104,499	487,735
39. Change in nonadmitted assets	(454,012)	77,936	584,788
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	(904,962)	(969,999)	(969,999)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	1,330,162	2,711,010	6,378,223
49. Capital and surplus end of reporting period (Line 33 plus 48)	103,334,692	98,337,317	102,004,530

DETAILS OF WRITE-INS

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

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	35,118,016	36,865,207	144,606,886
2. Net investment income	680,955	(4,434,394)	2,718,016
3. Miscellaneous income			
4. Total (Lines 1 through 3)	35,798,971	32,430,813	147,324,902
5. Benefit and loss related payments	37,281,945	35,018,708	115,555,421
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	(2,687,145)	12,367,873	30,349,537
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)		1	7,449,824
10. Total (Lines 5 through 9)	34,594,800	47,386,582	153,354,782
11. Net cash from operations (Line 4 minus Line 10)	1,204,171	(14,955,769)	(6,029,880)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	3,398,347	950,000	9,958,959
12.2 Stocks	743,892	1,744,109	3,596,274
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds		1,268,224	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,142,239	3,962,333	13,555,233
13. Cost of investments acquired (long-term only):			
13.1 Bonds	6,519,004	4,440,755	12,451,614
13.2 Stocks	733,344	1,768,578	3,829,685
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	7,252,348	6,209,333	16,281,299
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)	(3,110,109)	(2,247,000)	(2,726,066)
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	904,962	969,999	969,999
16.6 Other cash provided (applied)	(914,496)	(2,734,851)	(944,477)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(1,819,458)	(3,704,850)	(1,914,476)
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)	(3,725,396)	(20,907,619)	(10,670,422)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	40,971,713	51,642,135	51,642,135
19.2 End of period (Line 18 plus Line 19.1)	37,246,318	30,734,517	40,971,713

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	67,167		67,167							
2. First Quarter	64,708		64,708							
3. Second Quarter	0									
4. Third Quarter	0									
5. Current Year	193,654		193,654							
6. Current Year Member Months	0									
Total Member Ambulatory Encounters for Period:										
7. Physician	14,745		14,745							
8. Non-Physician	16,195		16,195							
9. Total	30,940	0	30,940	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	3,270		3,270							
11. Number of Inpatient Admissions	968		968							
12. Health Premiums Written (a)	53,576,431		53,576,431							
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	53,576,431		53,576,431							
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	52,294,363		52,294,363							
18. Amount Incurred for Provision of Health Care Services	43,839,765		43,839,765							

(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	1,359,694	36,551	7,310	58,482		1,462,037
0499999. Subtotals	1,359,694	36,551	7,310	58,482	0	1,462,037
0599999. Unreported Claims and Other Claim Reserves						14,616,585
0699999. Total Amounts Withheld						2,220,381
0799999. Total Claims Unpaid						18,299,003

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)	17,613,615	20,338,521	524,294	11,843,948	18,137,909	20,416,211
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	17,613,615	20,338,521	524,294	11,843,948	18,137,909	20,416,211
10. Healthcare receivables (a)		834,806			0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9-10+11+12)	17,613,615	19,503,715	524,294	11,843,948	18,137,909	20,416,211

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

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 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 the Arkansas Insurance 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 state of Arkansas.

	State of Domicile - AR	2012	2011
NET INCOME			
(1) HMO Partner's state basis (Page 4, Line 32, Columns 2 & 3)		2,136,584	3,546,371
(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)		2,136,584	3,546,371
SURPLUS			
(5) HMO Partner's state basis (Page 3, Line 33, Columns 3&4)		103,334,694	102,004,527
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		0	0
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		0	0
(8) NAIC SAP (5-6-7=8)		103,334,694	102,004,527

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. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or polices. Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred.

In addition, the company uses the following accounting policies:

(1) Short-term investments are stated at amortized cost.
(2) Bonds not backed by other loans are stated at amortized cost using the interest method.
(3) Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
(4) The Company does not have preferred stock
(5) The Company does not have mortgage loans
(6) The Company does not have loan-backed securities
(7) The Company does not any investments in subsidiaries
(8) The Company does not have any investments in joint ventures, partnerships, or limited liability companies.
(9) The Company does have any derivatives.
(10) The Company does not anticipate investment income as a factor in the premium deficiency calculation
(11) Claims cost unpaid is the largest estimate for loss liabilities in the HMOP annual statement. We set the claims liability at the regional level, but we also have reasonableness checks using a reserve set on an overall basis. When setting liability, we employ 4 methods that are described below. Based on the estimates of these methods and retrospective considerations, we set our best estimate and then add an explicit margin to ensure that the estimate is good and sufficient. Historically the method relied on the most is the Lag Method.

NOTES TO FINANCIAL STATEMENTS

a. **Lag (Development) Method:** A claims triangle is constructed for each block of business. Based on the claims payment patterns, we complete the last 3 months of data manually by adjusting the completion factors. This, in turn, gives us an estimate of incurred claims and incurred per member numbers. For the months prior to the most recent 3, the completion factors used to complete the data are based on the historical claims payment patterns

b. **3 Month Average Method**: As our base liability estimate, we use the 3 month average liability of the third, fourth, and fifth month prior to the current month. Adjustments are made for trend, membership change, and backlog to get to the estimate

c. **IBNR Method:** As our base liability estimate, we use the liability from one year ago and trend it forward with adjustments for trend, membership, and backlog

d. **Aggregate Method:** Here, we subtract 12 months of paid claims from 12 months of estimated incurred claims to get our liability estimate

(12) Expenditures for assets are capitalized at $1500, and all other costs are expensed.

(13) Pharmacy rebate receivable estimates are based upon a history of rebates billed vs. paid pharmacy claims.

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.

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

Income Taxes

The Company files a stand alone federal income tax return.
When available, the Company utilizes net operating loss carry forwards to offset taxable income
At 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	775,072	181,383	956,455
2011	4,355,952	722,436	5,078,388
2010	4,945,756	5,309	4,951,065

NOTES TO FINANCIAL STATEMENTS

The components of current income tax expense are as follows:

	2012	2011
Federal	$ 754,481	$ 4,473,706
Foreign	$ -	$ -
Federal Income Tax on net capital gains	$ 186,718	$ 736,663
Utilization of capital loss carry-forwards		
Federal income tax incurred	$ 941,199	$ 5,210,369

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:

	Mar 31, 2012	Effective Tax Rate
Provision computed at statutory rate	$ 1,077,225	35.0%
Tax exempt income deduction		
Dividends received deduction	(26,041)	-0.8%
Tax differentials on foreign earnings		
Nondeductible expenses	(76,332)	-2.5%
Benefit of Surtax Bracket	(28,131)	
Other	(7,323)	-0.2%
Total	$ 939,399	30.5%
Federal and foreign income taxes incurred	$ 941,199	30.6%
Change in net deferred income taxes	(1,800)	-0.1%
Total statutory income taxes	$ 939,399	30.5%

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

	March 31, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total of all deferred tax assets (admitted and nonadmitted)	1,622,011	1,064,575	2,686,586	1,624,165	1,064,575	2,688,740	(2,154)	0	(2,154)
Total of all deferred tax liabilities	89,112	3,729,734	3,818,846	93,066	3,433,175	3,526,241	(3,954)	296,559	292,605
Net deferred tax asset (liability)	1,532,899	(2,665,159)	(1,132,260)	1,531,099	(2,368,600)	(837,501)	1,800	(296,559)	(294,759)
Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	887,436	-	887,436	883,481		883,481	3,954	-	3,954
Net admitted deferred tax asset/(liab)	645,464	(2,665,159)	(2,019,696)	647,618	(2,368,600)	(1,720,982)	(2,155)	(296,559)	(298,714)

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 10.a., 10.b., and 10.c.:

	March 31, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP No. 10R, Paragraph 10.a	645,464	0	645,464	647,618	0	647,618	(2,154)	0	(2,154)
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
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.	89,112	1,064,575	1,153,687	93,066	1,064,575	1,157,641	(3,954)	0	(3,954)
Total	734,575	1,064,575	1,799,150	740,684	1,064,575	1,805,259	(6,109)	0	(6,109)

NOTES TO FINANCIAL STATEMENTS

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

	March 31, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP No. 10R, Paragraph 10.e.i.	645,464	0	645,464	647,618	0	647,618	(2,154)	0	(2,154)
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
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.	89,112	1,064,575	1,153,687	93,066	1,064,575	1,157,641	(3,954)	0	(3,954)
Total	734,575	1,064,575	1,799,150	740,684	1,064,575	1,805,259	(6,109)	0	(6,109)

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

	March 31, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total Adjusted Capital	XXXX	XXXX	95,626,307	XXXX	XXXX	95,626,307	XXXX	XXXX	0
Authorized Control Level	XXXX	XXXX	5,424,026	XXXX	XXXX	5,424,026	XXXX	XXXX	0

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

	March 31, 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.	734,575	1,064,575	1,799,150	740,684	1,064,575	1,805,259	(6,109)	0	(6,109)
Admitted DTA under paragraph 10.e	734,575	1,064,575	1,799,150	740,684	1,064,575	1,805,259	(6,109)	0	(6,109)
Increase	0	0	0	0	0	0	0	0	0

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:

	March 31, 2012	December 31, 2011	Change
Deferred Tax Assets:			
(a) ***Ordinary***			
Tax basis discount on unpaid losses	102,454	118,659	(16,205)
Unearned premium discounting	232,958	201,136	31,822
Accrued deferred compensation	1,265,225	1,265,225	-
Bad debts	21,374	39,145	(17,771)
Total ordinary deferred tax assets	1,622,011	1,624,165	(2,154)
Total ordinary deferred tax assets non-admitted	887,436	883,481	3,954
Admitted ordinary deferred tax assets	734,575	740,684	(6,109)
(b) ***Capital***			
Impairment of Assets	1,064,575	1,064,575	-
Total capital deferred tax assets	1,064,575	1,064,575	-
Total deferred capital tax assets non-admitted	-	-	-
Admitted capital deferred tax assets	1,064,575	1,064,575	-
Total admitted deferred tax assets	1,799,150	1,805,259	(6,109)

NOTES TO FINANCIAL STATEMENTS

Deferred Tax Liabilities:			
(a) ***Ordinary***			
Accrued dividends	12,875	16,830	(3,954)
Unrealized Gains/(Losses)-SSP	76,236	76,236	-
Total ordinary deferred tax liabilities	89,112	93,066	(3,954)
(b) ***Capital***			
Unrealized Capital Gains	3,729,734	3,433,175	296,559
Total capital deferred tax liabilities	3,729,734	3,433,175	296,559
Total deferred tax liabilities	3,818,846	3,526,241	292,605
Net admitted deferred tax asset/(liability)	(2,019,696)	(1,720,982)	(298,714)

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

	December 31, 2011	Change
Total deferred tax assets	$ 2,688,740	$ (2,154)
Total deferred tax liabilities	3,526,241	292,605
Net deferred tax asset (liability)	$ (837,501)	$ (294,759)
Tax effect of unrealized gains (losses)		296,559
Change in net deferred income tax		1,800

Explanation of Change in Net Admitted DTL:

Incr/(Decr) in net admitted DTL	(298,714)	
Incr/(Decr) in Unearned Premium DTA		31,822
Incr/(Decr) in Reserves	(16,205)	
Incr/(Decr) in Bad Debts	(17,771)	
Incr in OTTI DTA		-
Decr in Unrealized DTL	296,559	
Total of Detail items	298,713	

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.

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

No significant change.

Note 14 - Contingencies

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 15 - Leases

No significant change.

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

No significant change.

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

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

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

No significant change.

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

No significant change.

Note 20 - 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	$13,206,501	$10,057,347	-0-	$23,263,848
Supplemental Savings Plan	$ 2,495,902	-0-	-0-	$ 2,495,902
Total Assets at Fair Value	$15,702,403	$10,057,347	-0-	$25,759,750

2. The company does not have fair value measures in Level 3.

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

4. As of March 31, 2012, the reported fair value of the reporting entities investments in Level 2 common stock was $10,057,347. These securities are foreign common stock. To measure their fair value the reporting entity used current market prices in U.S. dollars.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

The Company does not have any changes in the provision for incurred claims and claim adjustment expenses attributable to insured events of prior years.

NOTES TO FINANCIAL STATEMENTS

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.

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 [ ] 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 [X] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008.....

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. 12/31/2008.....

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). 5/30/2010.....

6.4 By what department or departments?
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: $.....40,003

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 [ ] No [X]

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	$ 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 Lines 14.21 to 14.26)	$ 0	$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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

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

16. Excluding items in Schedule E-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 and Custody	St. Louis, MO

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	Little Rock, AR

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		84.9 %
1.2 A&H cost containment percent		2.0 %
1.3 A&H expense percent excluding cost containment expenses		10.6 %
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	53,185,185						53,185,185	
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	53,185,185	0	0	0	0	0	53,185,185	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	391,246						391,246	
61. Total (Direct Business)	(a) 1	53,576,431	0	0	0	0	0	53,576,431	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.

Sch. Y-Part 1
NONE

Schedule Y-Part 1A
NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1. NO

Bar Code:

* 9 5 4 4 2 2 0 1 2 3 6 5 0 0 0 0 1 *

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
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		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, 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

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, 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 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)	0	0
12. Deduct total nonadmitted amounts		
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	78,599,785	78,665,737
2. Cost of bonds and stocks acquired	7,252,345	16,281,299
3. Accrual of discount	13,964	41,695
4. Unrealized valuation increase (decrease)	748,755	(3,623,172)
5. Total gain (loss) on disposals	533,479	2,690,994
6. Deduct consideration for bonds and stocks disposed of	4,142,239	13,555,233
7. Deduct amortization of premium	164,093	435,887
8. Total foreign exchange change in book/adjusted carrying value	98,556	(101,460)
9. Deduct current year's other than temporary impairment recognized		1,364,188
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	82,940,552	78,599,785
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	82,940,552	78,599,785

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)	85,902,589	20,580,755	24,253,114	(23,467)	82,206,762			85,902,589
2. Class 2 (a)	10,698,362	1,006,480	2,593,893	(28,404)	9,082,545			10,698,362
3. Class 3 (a)	598,185			298	598,483			598,185
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	97,199,136	21,587,235	26,847,007	(51,573)	91,887,790	0	0	97,199,136
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	97,199,136	21,587,235	26,847,007	(51,573)	91,887,790	0	0	97,199,136

(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 $.....3,220,193; 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	32,211,118	XXX	32,211,118		

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	40,645,977	42,583,349
2. Cost of short-term investments acquired	15,068,255	107,722,854
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	23,503,114	109,660,226
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)	32,211,118	40,645,977
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	32,211,118	40,645,977

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 - Industrial and Miscellaneous									
06849A AA 7	Barrick Intl Barbados 144A	R	02/02/2012	CitiGroup		1,172,021	1,015,000	18,157	1FE
136375 BU 5	Canadian Natl Railway		03/02/2012	Morgan Keegan		1,053,794	1,050,000	4,676	1FE
368710 AG 4	Genentech Inc.		01/17/2012	JP Morgan		224,468	200,000	132	1FE
369550 AN 8	General Dynamics Corp.		01/10/2012	CitiGroup		1,476,131	1,350,000	31,894	1FE
459200 GN 5	IBM Corp.		01/09/2012	CitiGroup		551,500	500,000	7,854	1FE
713448 BT 4	Pepsico Inc.		02/01/2012	Citicorp		795,518	750,000	4,479	1FE
98417E AD 2	Xstrata Canada Fin Corp.		01/06/2012	Morgan Keegan		1,006,480	1,000,000	4,829	2FE
98458P AB 1	Yale University		02/23/2012	Morgan Keegan		239,092	225,000	2,411	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					6,519,004	6,090,000	74,432	XXX
8399997.	Total - Bonds - Part 3					6,519,004	6,090,000	74,432	XXX
8399999.	Total - Bonds					6,519,004	6,090,000	74,432	XXX
Common Stocks - Industrial and Miscellaneous									
55278T 10 5	MFC Industries Ltd.	I	01/30/2012	Merrill Lynch	17,900.000	135,021	XXX		L
654902 20 4	Nokia Corp ADR	R	01/09/2012	Union Bank Switzerland	19,200.000	100,231	XXX		L
750438 10 3	Radioshack Corporation		02/10/2012	Union Bank Switzerland	33,200.000	251,445	XXX		L
884768 10 2	Thompson Creek Metals Co Inc.		03/14/2012	Merrill Lynch	35,100.000	246,647	XXX		L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					733,344	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					733,344	XXX	0	XXX
9799999.	Total - Common Stocks					733,344	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					733,344	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					7,252,348	XXX	74,432	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 - Industrial and Miscellaneous																					
035229 CE 1	Anheuser Busch		03/15/2012	MATURITY		500,000	500,000	545,225	502,074		(2,074)		(2,074)		500,000			0	18,750	03/15/2012	1FE
205363 AK 0	Computer Sciences Corp		03/15/2012	Morgan Keegan		1,038,750	1,000,000	1,042,730	1,038,532		(6,517)		(6,517)		1,032,016		6,734	6,734	28,264	03/15/2013	2FE
35671D AS 4	Freeport McMoRan Copper & Gold		03/14/2012	Called		522,767	500,000	538,000	529,078		(6,628)		(6,628)		522,450		316	316	18,960	04/01/2017	2FE
494368 AR 4	Kimberly Clark		02/15/2012	MATURITY		250,000	250,000	257,009	250,189		(189)		(189)		250,000			0	7,031	02/15/2012	1FE
907818 CT 3	Union Pacific Co		03/15/2012	Stephens Inc		1,086,830	1,000,000	1,080,020	1,043,088		(3,660)		(3,660)		1,039,427		47,403	47,403	20,753	05/01/2014	2FE
3899999.	Total - Bonds - Industrial & Miscellaneous					3,398,347	3,250,000	3,462,984	3,362,961	0	(19,068)	0	(19,068)	0	3,343,893	0	54,453	54,453	93,758	XXX	XXX
8399997.	Total - Bonds - Part 4					3,398,347	3,250,000	3,462,984	3,362,961	0	(19,068)	0	(19,068)	0	3,343,893	0	54,453	54,453	93,758	XXX	XXX
8399999.	Total - Bonds					3,398,347	3,250,000	3,462,984	3,362,961	0	(19,068)	0	(19,068)	0	3,343,893	0	54,453	54,453	93,758	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
G7945M 10 7	Seagate Technology	F	03/13/2012	Union Bank Switzerland	26,600.000	743,892	XXX	264,866	436,240	(171,374)			(171,374)		264,866		479,026	479,026	6,650	XXX	L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					743,892	XXX	264,866	436,240	(171,374)	0	0	(171,374)	0	264,866	0	479,026	479,026	6,650	XXX	XXX
9799997	Total - Common Stocks - Part 4					743,892	XXX	264,866	436,240	(171,374)	0	0	(171,374)	0	264,866	0	479,026	479,026	6,650	XXX	XXX
9799999.	Total - Common Stocks					743,892	XXX	264,866	436,240	(171,374)	0	0	(171,374)	0	264,866	0	479,026	479,026	6,650	XXX	XXX
9899999.	Total - Preferred and Common Stocks					743,892	XXX	264,866	436,240	(171,374)	0	0	(171,374)	0	264,866	0	479,026	479,026	6,650	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					4,142,239	XXX	3,727,850	3,799,201	(171,374)	(19,068)	0	(190,442)	0	3,608,759	0	533,479	533,479	100,408	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

NONE

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Change in Variation Margin				19	20
														15	16	17	18		
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Hedged Item(s)	Schedule/ Exhibit Identifier	Type(s) of Risk	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure	Hedge Effectiveness at Inception and at Quarter-end (a)

NONE

Broker Name	Net Cash Deposits

NONE

NONE

SCHEDULE DB - PART D

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description Counterparty or Exchange Traded	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts With Book Adjusted Carrying Value > 0	Contracts With Book Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts With Fair Value > 0	Contracts With Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation /Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Dates

General Interrogatories:

1. The activity for the year to date: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year to date: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1: $.....0 NAIC 2: $.....0 NAIC 3: $.....0 NAIC 4: $.....0 NAIC 5: $.....0 NAIC 6: $.....0

NONE

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation /Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Dates

General Interrogatory:

1. The activity for the year to date: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year to date: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
3. Grand Total Schedule DL Part 1 and Part 2: Fair Value $.....0 Book/Adjusted Carrying Value $.....0

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
Bank of America	LIttle Rock, AR				113	12,866,321	19,232,232	4,948,122	XXX
Simmon's First National Bank	Pine Bluff, AR					178,563	122,816	87,077	XXX
0199999. Total Open Depositories		XXX	XXX	0	113	13,044,884	19,355,048	5,035,199	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	113	13,044,884	19,355,048	5,035,199	XXX
0599999. Total Cash		XXX	XXX	0	113	13,044,884	19,355,048	5,035,199	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