

Amended Explanation Page

Amended Explanation

On page 12C column 1, the revenue was entered incorrectly on the original filing. The amended filing enters the correct number.

On page 29 the Authorized control level was incorrectly entered on the original filing. The amended filing enters the correct number.

On the General Interrogatories Part 2, question 11.4, the wrong number was entered. The amended filing enters the correct number.



ANNUAL STATEMENT
For the Year Ending December 31, 2013
OF THE CONDITION AND AFFAIRS OF THE
QCA Health Plan, Inc.

NAIC Group Code 0000 , 0000 NAIC Company Code 95448 Employer's ID Number 71-0794605
(Current Period) (Prior Period)

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

Country of Domicile United States of America

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

Incorporated/Organized 04/08/1996 Commenced Business 07/31/1996

Statutory Home Office 12615 Chenal Parkway, Suite 300 , Little Rock, AR, 72211
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 12615 Chenal Parkway, Suite 300
(Street and Number)

Little Rock, AR, 72211 (501)228-7111
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 12615 Chenal Parkway, Suite 300 , Little Rock, AR, 72211
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 12615 Chenal Parkway, Suite 300
(Street and Number)

Little Rock, AR, 72211 (501)228-7111
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.qualchoice.com

Statutory Statement Contact Randall Crow (501)219-5109
(Name) (Area Code)(Telephone Number)(Extension)
randall.crow@qualchoice.com (501)228-0135
(E-Mail Address) (Fax Number)

OFFICERS

<u>Name</u>	<u>Title</u>
Michael Edward Stock	President
Randall Alvin Crow	Treasurer
Jennifer Gayle Smith	Secretary #

OTHERS

Joni Self Daniels, Vice President-Operations
 Betty Jo Tatum-Himes, Vice President - Sales & Marketing
 Richard Parker Armstrong M.D., Vice President - Medical Affairs
 Jon Foose, Vice President - Underwriting

DIRECTORS OR TRUSTEES

James Knox Hendren PhD	Buford Joseph Suffridge DDS, MS,PA
Joseph Patrick Searcy	James Arden Tanner M.D.
Charles W. Smith M.D.	Barbara Garner Williams RN, PhD
Joseph Maurice Elser M.D.	Raymond William Montgomery II
John P Schaefer	Michael Edward Stock

State of Arkansas
 County of Pulaski ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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.

<u>Michael Edward Stock</u> <small>(Signature)</small>	<u>Randall Alvin Crow</u> <small>(Signature)</small>	<u>Jennifer Gayle Smith</u> <small>(Signature)</small>
<u>Michael Edward Stock</u> <small>(Printed Name)</small>	<u>Randall Alvin Crow</u> <small>(Printed Name)</small>	<u>Jennifer Gayle Smith</u> <small>(Printed Name)</small>
<u>1.</u> <small>(Number)</small>	<u>2.</u> <small>(Number)</small>	<u>3.</u> <small>(Number)</small>
<u>President</u> <small>(Title)</small>	<u>Treasurer</u> <small>(Title)</small>	<u>Secretary</u> <small>(Title)</small>

Subscribed and sworn to before me this _____ day of _____, 2014

- a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[] No[X]
1
03/10/2014
4

 (Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

Mark J. McGinnis

Anthony Johnson

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	6,510	6,551	6,519	6,519	6,519
2. 2009	95,617	104,485	104,457	104,457	104,441
3. 2010	X X X	113,677	126,852	126,765	126,765
4. 2011	X X X	X X X	115,336	129,930	129,930
5. 2012	X X X	X X X	X X X	114,348	131,947
6. 2013	X X X	X X X	X X X	X X X	110,323

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	1,324	6,551	6,519	6,519	6,519
2. 2009	107,265	104,445	104,457	104,457	104,441
3. 2010	X X X	128,543	126,866	126,765	126,765
4. 2011	X X X	X X X	130,356	129,973	129,930
5. 2012	X X X	X X X	X X X	131,281	132,001
6. 2013	X X X	X X X	X X X	X X X	123,556

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2009	126,741	104,441	4,306	4.123	108,747	85.803			108,747	85.803
2. 2010	149,979	126,765	4,726	3.729	131,491	87.673			131,491	87.673
3. 2011	148,996	129,930	5,197	4.000	135,127	90.691			135,127	90.691
4. 2012	148,867	131,947	5,717	4.333	137,664	92.475	54	1	137,719	92.511
5. 2013	142,711	110,323	3,161	2.866	113,484	79.520	13,233	99	126,816	88.862

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	6,510	6,551	6,519	6,519	6,519
2. 2009	95,617	104,485	104,457	104,457	104,441
3. 2010	X X X	113,092	126,203	126,116	126,116
4. 2011	X X X	X X X	114,298	128,802	128,802
5. 2012	X X X	X X X	X X X	112,945	130,536
6. 2013	X X X	X X X	X X X	X X X	108,837

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	1,324	6,551	6,519	6,519	6,519
2. 2009	107,265	104,445	104,457	104,457	104,441
3. 2010	X X X	127,916	126,217	126,116	126,116
4. 2011	X X X	X X X	129,192	128,845	128,802
5. 2012	X X X	X X X	X X X	129,741	130,590
6. 2013	X X X	X X X	X X X	X X X	121,931

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2009	126,741	104,441	4,305	4.122	108,746	85.802			108,746	85.802
2. 2010	149,279	126,116	4,707	3.732	130,823	87.636			130,823	87.636
3. 2011	147,546	128,802	5,156	4.003	133,958	90.791			133,958	90.791
4. 2012	147,118	130,536	5,656	4.333	136,192	92.574	54		136,246	92.610
5. 2013	140,670	108,837	3,106	2.853	111,943	79.578	13,094	98	125,135	88.956

12 Hospital and Medical

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior					
2. 2009					
3. 2010	X X X	585	649	649	649
4. 2011	X X X	X X X	1,038	1,128	1,128
5. 2012	X X X	X X X	X X X	1,403	1,411
6. 2013	X X X	X X X	X X X	X X X	1,486

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior					
2. 2009					
3. 2010	X X X	627	649	649	649
4. 2011	X X X	X X X	1,164	1,128	1,128
5. 2012	X X X	X X X	X X X	1,540	1,411
6. 2013	X X X	X X X	X X X	X X X	1,625

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2009			1		1				1	
2. 2010	700	649	20	3.060	669	95.551			669	95.551
3. 2011	1,450	1,128	40	3.558	1,168	80.561			1,168	80.561
4. 2012	1,749	1,411	61	4.298	1,472	84.142		1	1,473	84.199
5. 2013	2,041	1,486	56	3.746	1,542	75.535	139	1	1,682	82.394

12 Fed Emp HBPP

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating?
- 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
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 3.2 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. 12/31/2011
- 3.3 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). 05/30/2013
- 3.4 By what department or departments?
Arkansas Department of Insurance
- 3.5 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
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes No
4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes No
4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the 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
.....

- 6.1 Has the 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
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes, 0.000%
7.21 State the percentage of foreign control
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes No
- 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
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial 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
.....	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Rasco, Winter, Abston, Moore & Assoc. 400 West Capitol, Suite 1624 Little Rock, Arkansas 72201
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes No
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes No N/A
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Ed Goral employee of QCA Health Plan, Inc. 12615 Chenal Parkway , Suite 300 Little Rock, Arkansas 72211

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved 0
 12.13 Total book/adjusted carrying value \$ 0
 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [] N/A [X]
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 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.
 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [] No [X]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers \$ 0
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 75,000

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]
 24.02 If no, give full and complete information, relating thereto
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
- 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
- 24.103 Total payable for securities lending reported on the liability page. \$ 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[] No[X]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Pledged as collateral \$ 0
- 25.26 Placed under option agreements \$ 0
- 25.27 Letter stock or securities restricted as to sale \$ 0
- 25.28 On deposit with state or other regulatory body \$ 0
- 25.29 Other \$ 0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

28. 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 I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Arvest Asset Management	200 Commerce Dr. Ste. 100, Little Rock, AR
Stephens Bank Trust	111 Center Street, Little Rock, AR

28.02 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)

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[] No[X]
- 28.04 If yes, give full and complete information relating thereto:

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

28.05 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 Number(s)	2 Name	3 Address
	Dennis Whitaker	200 Commerce Dr. Ste. 100 Little Rock, AR
	Alan Tedford	111 Center Street, Little Rock, AR

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[] No[X]
- 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total		

29.3 For each mutual fund listed in the table above, complete the following schedule:

GENERAL INTERROGATORIES (Continued)

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	10,886,739	10,907,559	20,820
30.2 Preferred stocks	1,500,000	1,500,000	
30.3 Totals	12,386,739	12,407,559	20,820

30.4 Describe the sources or methods utilized in determining the fair values
Provided by bank statements/Trust Company reporting

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[] No[X] N/A[]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
- 32.2 If no, list exceptions:

OTHER

- 33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 38,800
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
AM Best	38,800

- 34.1 Amount of payments for legal expenses, if any? \$ 264,336
- 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Baker & Hostetler LLP	66,084
Venable LLP	75,000

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0
- 35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes No
- 1.2 If yes, indicate premium earned on U.S. business only: \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned \$ 0
- 1.62 Total incurred claims \$ 0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ 0
- 1.65 Total incurred claims \$ 0
- 1.66 Number of covered lives 0
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned \$ 0
- 1.72 Total incurred claims \$ 0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ 0
- 1.75 Total incurred claims \$ 0
- 1.76 Number of covered lives 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	141,264,056	147,170,891
2.2 Premium Denominator	141,264,056	147,170,891
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	13,576,893	19,050,624
2.5 Reserve Denominator	13,576,893	19,050,624
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes No
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes No
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes No N/A
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes No
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ 1,450,000
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental & Vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
 Provider contracts have hold harmless agreements and continuity of care provisions. Through the reinsurance company \$5,000,000 is reinsured for continuation of benefits in event of insolvency.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes No
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 11,049
- 8.2 Number of providers at end of reporting year 13,168
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes No
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 0
- 10.22 Amount actually paid for year bonuses \$ 0
- 10.23 Maximum amount payable withholds \$ 0
- 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes No
- 11.13 An Individual Practice Association (IPA), or, Yes No
- 11.14 A Mixed Model (combination of above)? Yes No
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such net worth.
 Arkansas
- 11.4 If yes, show the amount required. \$ 5,462,471
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No
- 11.6 If the amount is calculated, show the calculation.
 Net Worth requirement of \$100,000 plus certain RBC requirements of the State. The RBC calculations are included with this filing
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
entire state of Arkansas, 75 counties

- 13.1 Do you act as a custodian for health savings accounts? Yes No
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes No
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ 0

FIVE-YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	30,952,723	39,094,684	42,921,215	44,770,829	39,938,741
2. TOTAL Liabilities (Page 3, Line 24)	18,132,132	26,164,182	24,102,140	21,607,233	18,226,619
3. Statutory surplus	5,462,471	5,692,025	5,631,806	5,533,355	4,733,565
4. TOTAL Capital and Surplus (Page 3, Line 33)	12,820,591	12,930,502	18,819,075	23,163,596	21,712,122
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	141,264,056	147,170,891	146,105,210	146,799,509	124,222,104
6. TOTAL Medical and Hospital Expenses (Line 18)	123,882,758	130,980,925	129,326,702	125,099,692	104,566,229
7. Claims adjustment expenses (Line 20)	6,518,243	6,023,417	5,030,345	4,647,708	4,244,271
8. TOTAL Administrative Expenses (Line 21)	16,606,725	15,382,328	16,119,665	15,319,258	13,438,796
9. Net underwriting gain (loss) (Line 24)	(3,893,730)	(6,597,453)	(4,839,768)	1,732,851	1,972,808
10. Net investment gain (loss) (Line 27)	250,592	394,398	269,383	356,145	463,290
11. TOTAL Other Income (Lines 28 plus 29)	53,755	25,695		(1)	(2)
12. Net income or (loss) (Line 32)	(3,589,383)	(6,177,360)	(4,559,308)	2,039,595	2,393,868
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(10,769,776)	(2,746,218)	(2,772,110)	5,924,256	4,769,763
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	12,820,591	12,930,502	18,819,075	23,163,596	21,712,122
15. Authorized control level risk-based capital	5,462,471	5,692,025	5,631,778	5,533,355	4,733,565
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	41,256	44,550	45,067	49,625	44,017
17. TOTAL Members Months (Column 6, Line 7)	495,442	542,687	569,492	567,122	482,872
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	87.7	89.0	88.5	85.2	84.2
20. Cost containment expenses	2.6	2.6	2.1	2.3	2.5
21. Other claims adjustment expenses	2.0	1.4	1.3	0.9	0.9
22. TOTAL Underwriting Deductions (Line 23)	102.8	104.5	103.3	98.8	98.4
23. TOTAL Underwriting Gain (Loss) (Line 24)	(2.8)	(4.5)	(3.3)	1.2	1.6
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	17,758,675	14,536,223	13,127,677	8,869,551	6,524,255
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	16,338,903	14,198,702	13,320,969	10,807,956	8,369,602
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)	1,500,000	1,500,000	1,500,000	1,500,000	
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated	5,634	5,628	5,623	5,616	5,604
32. TOTAL of Above Lines 26 to 31	1,505,634	1,505,628	1,505,623	1,505,616	5,604
33. TOTAL investment in parent included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain::