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HEALTH QUARTERLY STATEMENT

As of September 30, 2013

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 ..... US ..... 72203-8069 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	320 West Capitol….. Little Rock ..... AR ..... US ..... 72203-8069 *(Street and Number) (City or Town, State, Country and Zip Code)*	501-221-1800 *(Area Code) (Telephone Number)*
Mail Address	320 West Capitol….. Little Rock ..... AR ..... US ..... 72203-8069 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	601 S. Gaines….. Little Rock ..... AR ..... US ..... 72201 *(Street and Number) (City or Town, State, Country 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	CEO	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
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
Kathleen O'Dea Ryan #	Robert Lee Trammel	Thomas Matthew Kovaleski MD	Jim Loyd English MD

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)
CEO	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 Prior Year Net Admitted Assets
1. Bonds	75,197,706		75,197,706	62,272,015
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	25,061,545		25,061,545	23,098,869
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 $.....0 encumbrances)			0	
5. Cash ($.....4,394,709), cash equivalents ($.....0) and short-term investments ($.....29,783,770)	34,178,479		34,178,479	53,170,666
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)	134,437,730	0	134,437,730	138,541,550
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	769,385		769,385	653,204
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums	1,329,249	168,457	1,160,792	2,641,582
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	416,972		416,972	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	13,999,848	3,088,016	10,911,832	2,738,988
18.1 Current federal and foreign income tax recoverable and interest thereon	235,535		235,535	235,535
18.2 Net deferred tax asset	871,246	871,246	0	
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($.....0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	120,001		120,001	80,002
24. Health care ($.....877,624) and other amounts receivable	1,668,017	790,392	877,625	868,765
25. Aggregate write-ins for other than invested assets	2,447,934	0	2,447,934	2,277,669
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	156,295,917	4,918,111	151,377,806	148,037,295
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	156,295,917	4,918,111	151,377,806	148,037,295

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	2,447,934		2,447,934	2,277,669
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)	2,447,934	0	2,447,934	2,277,669

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $.....6,899,344 reinsurance ceded)	13,844,551		13,844,551	16,639,177
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses	876,557		876,557	920,710
4. Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	93,600		93,600	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	3,166,123		3,166,123	2,000,810
9. General expenses due or accrued	937,709		937,709	1,520,065
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	93,393		93,393	
10.2 Net deferred tax liability	1,751,214		1,751,214	1,959,610
11. Ceded reinsurance premiums payable	190,196		190,196	180,187
12. Amounts withheld or retained for the account of others	4,474,260		4,474,260	4,673,378
13. Remittances and items not allocated	317,133		317,133	67,840
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	6,396,307		6,396,307	7,789,633
16. Derivatives			0	
17. Payable for securities	325,310		325,310	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers and certified $.....0 reinsurers)			0	
20. Reinsurance in unauthorized and certified ($.....0) companies			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	
22. Liability for amounts held under uninsured plans	5,219,192		5,219,192	2,772,741
23. Aggregate write-ins for other liabilities (including $.....0 current)	541,322	0	541,322	171,536
24. Total liabilities (Lines 1 to 23)	38,226,867	0	38,226,867	38,695,687
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	111,221,786	107,412,455
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	113,150,939	109,341,608
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	151,377,806	148,037,295

DETAILS OF WRITE-INS

2301. Unclaimed property	142,417		142,417	142,417
2302. Miscellaneous payables	398,905		398,905	29,119
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)	541,322	0	541,322	171,536
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	416,860	396,781	532,266
2. Net premium income (including $.....0 non-health premium income)	XXX	113,867,100	106,525,421	143,168,298
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	113,867,100	106,525,421	143,168,298
Hospital and Medical:				
9. Hospital/medical benefits		86,628,336	84,693,519	116,088,044
10. Other professional services				
11. Outside referrals		2,173,934	1,328,712	2,110,736
12. Emergency room and out-of-area		21,790,256	19,428,381	26,005,707
13. Prescription drugs		35,587,148	31,061,760	41,922,543
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		405,247		(4,681,495)
16. Subtotal (Lines 9 to 15)	0	146,584,921	136,512,372	181,445,535
Less:				
17. Net reinsurance recoveries		53,385,749	48,307,624	63,290,806
18. Total hospital and medical (Lines 16 minus 17)	0	93,199,172	88,204,748	118,154,729
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....1,982,909 cost containment expenses		2,776,072	2,578,688	3,782,929
21. General administrative expenses		10,443,310	9,142,617	12,944,562
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	106,418,554	99,926,053	134,882,220
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	7,448,546	6,599,368	8,286,078
25. Net investment income earned		1,784,309	2,242,983	2,221,468
26. Net realized capital gains (losses) less capital gains tax of $.....691,030		1,283,129	1,243,628	907,286
27. Net investment gains or (losses) (Lines 25 plus 26)	0	3,067,438	3,486,611	3,128,754
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	230,722	168,886	711,900
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	10,746,706	10,254,865	12,126,732
31. Federal and foreign income taxes incurred	XXX	2,933,926	2,224,784	3,747,125
32. Net income (loss) (Lines 30 minus 31)	XXX	7,812,780	8,030,081	8,379,607

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		120,001	40,003	160,000
2902. Miscellaneous Income		110,721	128,883	551,900
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	230,722	168,886	711,900

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	109,341,607	102,004,530	102,004,530
34. Net income or (loss) from Line 32	7,812,780	8,030,081	8,379,607
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	630,902	(620,206)	154,343
37. Change in net unrealized foreign exchange capital gain or (loss)	(642,106)	122,266	140,226
38. Change in net deferred income tax	264,497	(5,972)	(154,379)
39. Change in nonadmitted assets	(3,384,234)	(621,499)	(277,758)
40. Change in unauthorized and certified 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	(872,508)	(904,962)	(904,962)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	3,809,331	5,999,708	7,337,077
49. Capital and surplus end of reporting period (Line 33 plus 48)	113,150,938	108,004,238	109,341,607

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	116,506,793	104,623,155	141,479,299
2. Net investment income	2,322,305	2,585,376	2,782,962
3. Miscellaneous income			
4. Total (Lines 1 through 3)	118,829,098	107,208,531	144,262,261
5. Benefit and loss related payments	96,734,562	92,052,745	121,775,196
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	21,962,524	5,500,821	1,776,109
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	3,531,563	500,000	2,000,000
10. Total (Lines 5 through 9)	122,228,649	98,053,566	125,551,305
11. Net cash from operations (Line 4 minus Line 10)	(3,399,551)	9,154,965	18,710,956
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	7,022,065	7,396,154	12,213,653
12.2 Stocks	4,786,457	2,576,967	2,981,733
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			(214)
12.7 Miscellaneous proceeds	325,310	361,499	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	12,133,833	10,334,620	15,195,172
13. Cost of investments acquired (long-term only):			
13.1 Bonds	20,606,115	11,845,123	18,157,462
13.2 Stocks	4,606,316	2,161,151	2,739,174
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)	25,212,430	14,006,274	20,896,636
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)	(13,078,598)	(3,671,654)	(5,701,464)
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	872,508	904,962	904,962
16.6 Other cash provided (applied)	(1,641,531)	2,398,814	94,423
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(2,514,039)	1,493,852	(810,539)
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)	(18,992,187)	6,977,163	12,198,953
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	53,170,667	40,971,713	40,971,713
19.2 End of period (Line 18 plus Line 19.1)	34,178,479	47,948,876	53,170,667

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	66,765		66,765							
2. First Quarter	68,632		68,632							
3. Second Quarter	69,611		69,611							
4. Third Quarter	70,672		70,672							
5. Current Year	0									
6. Current Year Member Months	624,697		624,697							
Total Member Ambulatory Encounters for Period:										
7. Physician	46,923		46,923							
8. Non-Physician	54,916		54,916							
9. Total	101,839	0	101,839	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	12,031		12,031							
11. Number of Inpatient Admissions	3,213		3,213							
12. Health Premiums Written (a)	178,655,029		178,655,029							
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	178,655,029		178,655,029							
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	147,086,283		147,086,283							
18. Amount Incurred for Provision of Health Care Services	146,584,921		146,584,921							

(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	992,959	2,526	1,919	12,830		1,010,234
0499999. Subtotals	992,959	2,526	1,919	12,830	0	1,010,234
0599999. Unreported Claims and Other Claim Reserves						17,048,143
0699999. Total Amounts Withheld						2,685,519
0799999. Total Claims Unpaid						20,743,896

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)	14,360,144	82,213,419	(475,753)	14,320,305	13,884,391	16,639,178
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)	14,360,144	82,213,419	(475,753)	14,320,305	13,884,391	16,639,178
10. Healthcare receivables (a)		985,012			0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts		405,247			0	
13. Totals (Lines 9-10+11+12)	14,360,144	81,633,654	(475,753)	14,320,305	13,884,391	16,639,178

(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	2013	2012
NET INCOME			
(1) HMO Partner's stat basis (Page 4, Line 32, Columns 2 & 4)		7,812,780	8,379,607
(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)		7,812,780	8,379,607
SURPLUS			
(5) HMO Partner's stat basis (Page 3, Line 33, Columns 3&4)		113,150,939	109,341,608
(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)		113,150,939	109,341,608

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.

E. The Company has no repurchase agreements and/or securities lending transactions 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

A. The components of the net deferred tax asset/(liability) are as follows:

1.

	09/30/13		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	1,923,722	844,498	2,768,220
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	1,923,722	844,498	2,768,220
(d) Deferred Tax Assets Nonadmitted	871,246	0	871,246
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	1,052,476	844,498	1,896,974
(f) Deferred Tax Liabilities	36,458	3,611,730	3,648,188
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	1,016,018	(2,767,232)	(1,751,214)

NOTES TO FINANCIAL STATEMENTS

	12/31/12		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	1,688,337	844,498	2,532,835
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	1,688,337	844,498	2,532,835
(d) Deferred Tax Assets Nonadmitted	809,112	0	809,112
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	879,225	844,498	1,723,723
(f) Deferred Tax Liabilities	39,521	3,643,810	3,683,332
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	839,703	(2,799,313)	(1,959,609)

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
(a) Gross Deferred Tax Assets	235,385	0	235,385
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	235,385	0	235,385
(d) Deferred Tax Assets Nonadmitted	62,134	0	62,134
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	173,252	0	173,252
(f) Deferred Tax Liabilities	(3,063)	(32,081)	(35,144)
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	176,315	32,081	208,396

2.

	09/30/13		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components - SSAP 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	1,016,018	0	1,016,018
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	0	0	0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	0	0	0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	0	0	16,111,868
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	36,458	844,498	880,956
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	1,052,476	844,498	1,896,974

	12/31/12		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components - SSAP 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	839,703	0	839,703
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	0	0	0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	0	0	0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	0	0	16,111,868
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	39,521	844,498	884,019
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	879,224	844,498	1,723,722

NOTES TO FINANCIAL STATEMENTS

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
Admission Calculation Components - SSAP 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	176,315	0	176,315
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	0	0	0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	0	0	0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	0	0	0
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	(3,063)	(0)	(3,063)
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	173,252	(0)	173,252

3.

	2013	2012
(a) Ratio Percentage used to determine Recovery Period and Threshold Limitation Amount	1950%	1950%
(b) Amount of Adjusted Capital and Surplus used to determine Recovery Period and Threshold Limitation in 2(b)2 above	107,412,455	107,412,455

4.

	09/30/13		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Impact of Tax Planning Strategies			
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTA's)	0%	0%	0%

	12/31/12		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Impact of Tax Planning Strategies			
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTA's)	0%	0%	0%

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
Impact of Tax Planning Strategies			
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTA's)	0%	0%	0%

(c) Does the Company's tax-planning strategies include the use of reinsurance? Yes ____ No X

B. Regarding deferred tax liabilities that are not recognized:
Not applicable

C. Current and deferred income taxes consist of the following major components

1. Current Income Tax:

	(1) 09/30/13	(2) 12/31/12	(3) (Col 1-2) Change
(a) Federal	2,902,363	3,749,076	(846,713)

NOTES TO FINANCIAL STATEMENTS

(b) Foreign	-	-	-
(c) Subtotal	2,902,363	3,749,076	(846,713)
(d) Federal Income Tax on net capital gains	691,030	149,331	541,699
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	(1,951)	1,951
(g) Federal & Foreign income tax incurred	3,593,393	3,896,456	(303,063)

2. Deferred Tax Assets:

	(1) 09/30/13	(2) 12/31/12	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	467,838	367,454	100,384
(2) Unearned premium reserves	221,629	140,057	81,572
(3) Accrued deferred compensation	1,192,781	1,127,614	65,167
(4) Bad Debts	41,474	53,212	(11,738)
(99) Subtotal - Ordinary	1,923,722	1,688,337	235,385
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted - Ordinary	871,246	809,112	62,134
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	1,052,476	879,225	173,252
(e) Capital:	-	-	-
(1) Other than Temp Investment Impairments	844,498	844,498	-
(99) Subtotal - Capital	844,498	844,498	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted - Capital	-	-	-
	-	-	-
(h) Admitted capital deferred tax assets (2a99-2b-2c)	844,498	844,498	-
	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	1,896,974	1,723,723	173,252

3. Deferred Tax Liabilities:

	(1) 09/30/13	(2) 12/31/12	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Accrued Dividends	14,193	15,304	(1,111)
(2) Unrealized Gains/(Losses)-SSP	22,265	24,218	(1,952)
(99) Subtotal - Ordinary	36,458	39,521	(3,063)
(b) Capital:	-	-	-
(1) Unrealized Capital Gains	3,611,730	3,643,810	(32,081)
(99) Subtotal - Capital	3,611,730	3,643,810	(32,081)
(c) Deferred tax liabilities (3a99 + 3b99h)	3,648,188	3,683,332	(35,144)

4. Net Deferred Tax Assets/Liabilities (2i - 3c)	(1,751,214)	(1,959,609)	208,396

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Among the more significant book to tax adjustments were the following:

	09/30/13	
	Amounts	Effective Tax Rate %
Provision computed at statutory rate	3,992,161	35.0%
Tax exempt income deduction	1,002	0.0%
Dividends received deduction	(73,094)	-0.6%
Tax differentials on foreign earnings	0	0.0%
Nondeductible expenses	(413,065)	-3.6%
Tax Credits	(31,563)	-0.3%
Rate Differential	(100,000)	-0.9%
Other	(46,542)	-0.4%
Total	3,328,897	29.2%
Federal and foreign income taxes incurred	2,902,363	25.4%
Realized capital gains/(losses) tax	691,030	6.1%

NOTES TO FINANCIAL STATEMENTS

Change in net deferred income taxes	(264,496)	-2.3%
Total statutory income taxes	3,328,897	29.2%

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

1. At the end of the current period the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

2. The following is income tax expense for 2012 and 2011 that is available for recoupment in the event of future net losses.

Year	Amount
2013	3,407,178
2012	3,709,537

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. The Company does not file a Consolidated Federal Income Tax Return

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

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

A. Defined Benefit Plan

The Company no longer offers a defined benefit plan.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

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

No significant change.

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

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

C. There were no wash sales.

NOTES TO FINANCIAL STATEMENTS

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	$25,061,545	$0	$0	$25,061,545
Supplemental Savings Plan	$ 2,447,934	$0	$0	$ 2,447,934
Total Assets at Fair Value	$19,191,695	$0	$0	$27,509,479

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 September 30, 2013, the reporting entity did not have any investments in Level 2 Common Stock.

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 Claims and Claim 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.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

Not applicable.

Note 28 - Health Care Receivables

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - Anticipated Salvage and Subrogation

No significant change.

GENERAL INTERROGATORIES

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: .....

3.1 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

3.2 If the response to 3.1 is yes, provide a brief description of those changes.

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. 12/31/2011.....

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. 12/31/2011.....

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). 3/8/2013.....

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]

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: $.....120,001

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. For the reporting entity's security lending program, state the amount of the following as of current statement date:
16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $.....0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $.....0
16.3 Total payable for securities lending reporting on the liability page: $.....0

17. 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 [ ]

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

1 Name of Custodian(s)	2 Custodian Address
US Bank Institutional Trust and Custody	St. Louis, MO

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
116359	Foundation Resource Management	Little Rock, AR

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

18.2 If no, list exceptions: .....

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent	83.6 %
1.2 A&H cost containment percent	1.7 %
1.3 A&H expense percent excluding cost containment expenses	4.9 %

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	177,884,262						177,884,262	
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 CAN	N							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	177,884,262	0	0	0	0	0	177,884,262	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	1,034,509						1,034,509	
61. Total (Direct Business)	(a) 1	178,918,771	0	0	0	0	0	178,918,771	0

DETAILS OF WRITE-INS

58001.							0	
58002.							0	
58003.							0	
58998. Summary of remaining write-ins for line 58 from overflow page	0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above)	0	0	0	0	0	0	0	0

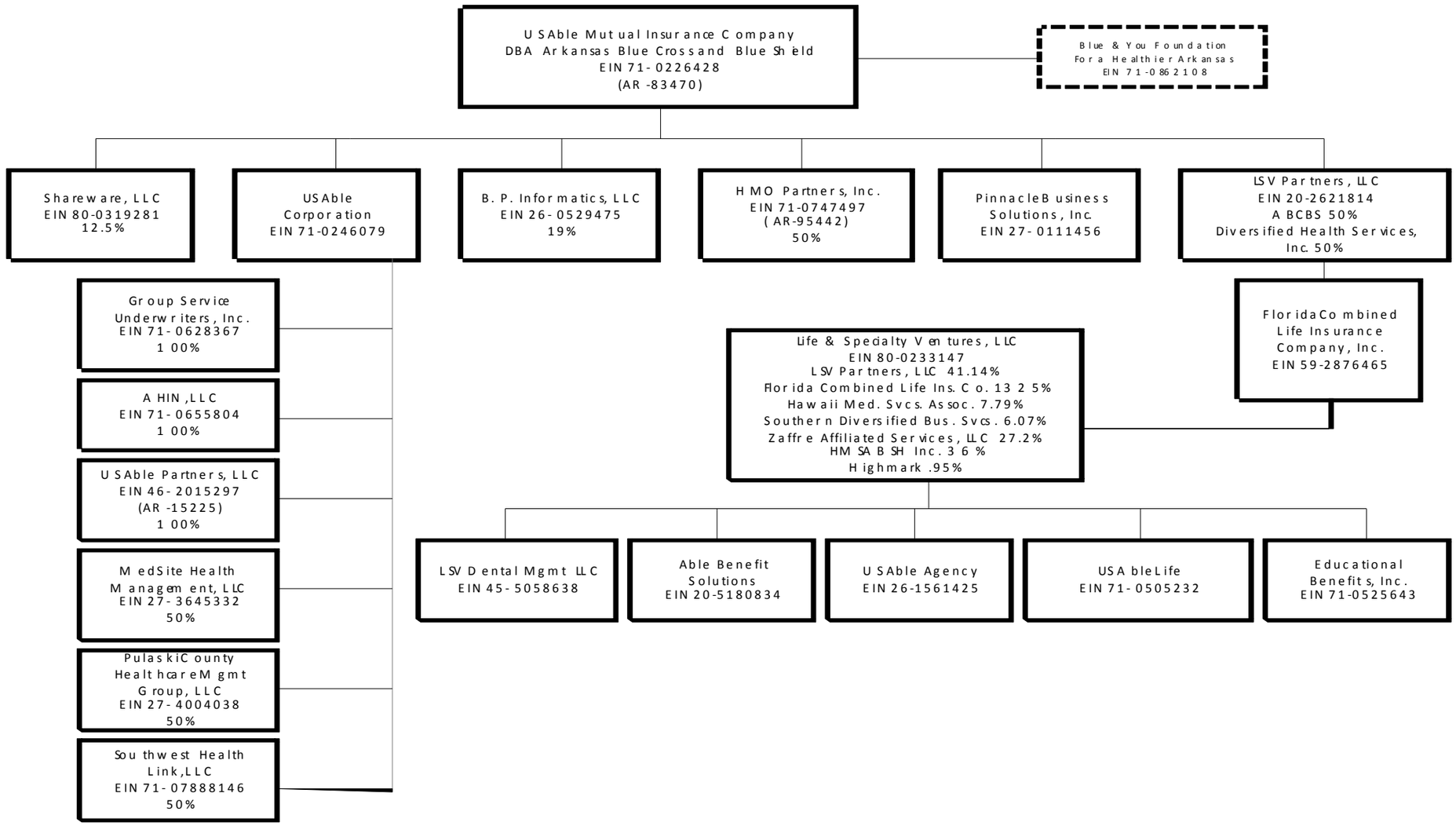
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

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

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

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

PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
Members														
0876	USAble Mutual Insurance Company	83470	71-0226428				USAble Mutual Insurance Company	AR		USAble Mutual Insurance Company	Board		USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0862108				Blue & You Foundation	AR	NIA	USAble Mutual Insurance Company	Ownership, Board, Influence		USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		80-0319281				Shareware, LLC	AR	DS	USAble Mutual Insurance Company	Ownership, Influence	12.500	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		26-0529475				B.P. Informatics, LLC	AR	DS	USAble Mutual Insurance Company	Ownership, Influence, Board	19.085	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0246079				USAble Corporation	AR	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company	95442	71-0747497				HMO Partners, Inc.	AR	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		27-0111456				Pinnacle Business Solutions	AR	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		20-2621814				LSV Partners, LLC	DE	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0628367				Group Service Underwriters, Inc.	AR	DS	USAble Corporation	Ownership, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0655804				AHIN, LLC	AR	DS	USAble Corporation	Ownership, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company	15225	46-2015297				USAble Partners, LLC	AR	DS	USAble Corporation	Ownership, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0788146				Southwest Health Link, LLC	AR	DS	USAble Corporation	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		27-3645332				MedSite Health Management, LLC	AR	DS	USAble Corporation	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		27-4004038				Pulaski County Healthcare Mgmt Group LLC	AR	DS	USAble Corporation	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company	76031	59-2876465				Florida Combined Life Insurance Co, Inc.	FL	IA	LSV Partners, Inc.	Ownership, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		80-0233147				Life & Specialty Ventures, Inc.	DE	NIA	Florida Combined Life Insurance Co, Inc.	Ownership	13.250	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		80-0233147				Life & Specialty Ventures, Inc.	DE	NIA	LSV Partners, Inc.	Ownership, Board, Influence	41.140	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		45-5058638				LSV Dental Management LLC	AR	NIA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		20-5180834				Able Benefit Solutions	AR	NIA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		26-1561425				USAble Agency	AR	NIA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
0876	USAble Mutual Insurance Company	94358	71-0505232				USAble Life	AR	IA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0525643				Educational Benefits, Inc.	AR	NIA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	

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?	NO

Explanation:

1.

Bar Code:

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

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	85,370,876	78,599,813
2. Cost of bonds and stocks acquired	25,212,430	20,896,636
3. Accrual of discount	39,311	69,644
4. Unrealized valuation increase (decrease)	268,829	(202,766)
5. Total gain (loss) on disposals	1,975,770	1,487,338
6. Deduct consideration for bonds and stocks disposed of	11,808,523	15,177,050
7. Deduct amortization of premium	693,489	1,064,093
8. Total foreign exchange change in book/adjusted carrying value	(453,788)	761,354
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)	99,911,417	85,370,876
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	99,911,417	85,370,876

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)	95,676,939	16,645,896	14,968,173	(1,417,699)	85,363,253	95,676,939	95,936,963	92,500,575
2. Class 2 (a)	7,833,581		100,000	218,695	9,186,990	7,833,581	7,952,276	9,015,736
3. Class 3 (a)					599,738			599,424
4. Class 4 (a)				999,126			999,126	
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	103,510,520	16,645,896	15,068,173	(199,878)	95,149,981	103,510,520	104,888,365	102,115,735
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	103,510,520	16,645,896	15,068,173	(199,878)	95,149,981	103,510,520	104,888,365	102,115,735

(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 $.....0; 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	29,783,769	XXX	29,783,769		

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	39,843,728	40,645,977
2. Cost of short-term investments acquired	94,784,646	147,525,505
3. Accrual of discount	23,655	23,967
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	15	(111)
6. Deduct consideration received on disposals	104,862,083	148,344,884
7. Deduct amortization of premium	6,191	6,727
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)	29,783,770	39,843,728
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	29,783,770	39,843,728

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									
002824 AU 4	ABBOTT LABORATORIES		07/24/2013	RAYMOND JAMES/FI		878,180	760,000	12,767	1FE
009158 AS 5	AIR PRODUCTS & CHEMICALS		08/06/2013	CITIGROUP GLOBAL MARKETS INC		615,006	630,000	2,394	1FE
037833 AJ 9	APPLE INC		08/22/2013	Southwest Securities		285,480	300,000	950	1FE
057224 AY 3	BAKER HUGHES INC		08/02/2013	RAYMOND JAMES/FI		1,059,031	837,000	14,299	1FE
406216 BC 4	HALLIBURTON COMPANY		09/04/2013	CITIGROUP GLOBAL MARKETS INC		989,380	1,000,000	1,889	1FE
71713U AQ 5	PHARMACIA CORP		07/10/2013	RAYMOND JAMES/FI		606,485	500,000	3,972	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					4,433,562	4,027,000	36,271	XXX
8399997.	Total - Bonds - Part 3					4,433,562	4,027,000	36,271	XXX
8399999.	Total - Bonds					4,433,562	4,027,000	36,271	XXX
Common Stocks - Industrial and Miscellaneous									
303901 10 2	FAIRFAX FINANCIAL HLDGS LTD	I	09/23/2013	CANTOR FITZGERALD & CO. INC	1,190.000	483,525	XXX		U
714236 10 6	PERMIAN BASIN ROYALTY TRUST		09/27/2013	MERRILL LYNCH PIERCE FENNER	31,400.000	445,974	XXX		L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					929,499	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					929,499	XXX	0	XXX
9799999.	Total - Common Stocks					929,499	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					929,499	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					5,363,061	XXX	36,271	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....1.

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																					
263534 BU 2	E.I. DU PONT DE NEMOURS		07/15/2013	Maturity		500,000	500,000	543,115	509,817		(9,817)		(9,817)		500,000			0	25,000	07/15/2013	1FE
84474E AB 6	SW AIRLINES 93-A TRUST		07/01/2013										0					0	2,518	06/29/2015	2FE
962166 AR 5	WEYERHAEUSER CO.		07/01/2013	Maturity		100,000	100,000	100,000	100,000				0		100,000			0	7,250	07/01/2013	2FE
3899999.	Total - Bonds - Industrial & Miscellaneous					600,000	600,000	643,115	609,817	0	(9,817)	0	(9,817)	0	600,000	0	0	0	34,768	XXX	XXX
8399997.	Total - Bonds - Part 4					600,000	600,000	643,115	609,817	0	(9,817)	0	(9,817)	0	600,000	0	0	0	34,768	XXX	XXX
8399999.	Total - Bonds					600,000	600,000	643,115	609,817	0	(9,817)	0	(9,817)	0	600,000	0	0	0	34,768	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
364730 10 1	GANNETT CO.		07/01/2013				XXX						0					0	4,180	XXX	L
382550 10 1	GOODYEAR TIRE & RUBBER CO.		08/21/2013	Stephens Inc.	38,000.000	716,740	XXX	347,330	524,780	(177,450)			(177,450)		347,330		369,410	369,410		XXX	L
500472 30 3	KONINKLIJKE PHILIPS NVR- NY	R..	09/13/2013	CANTOR FITZGERALD & CO. INC.	20,400.000	673,602	XXX	362,441	541,416	(178,975)			(178,975)		362,441		311,162	311,162	16,917	XXX	L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					1,390,342	XXX	709,771	1,066,196	(356,425)	0	0	(356,425)	0	709,771	0	680,571	680,571	21,097	XXX	XXX
9799997	Total - Common Stocks - Part 4					1,390,342	XXX	709,771	1,066,196	(356,425)	0	0	(356,425)	0	709,771	0	680,571	680,571	21,097	XXX	XXX
9799999.	Total - Common Stocks					1,390,342	XXX	709,771	1,066,196	(356,425)	0	0	(356,425)	0	709,771	0	680,571	680,571	21,097	XXX	XXX
9899999.	Total - Preferred and Common Stocks					1,390,342	XXX	709,771	1,066,196	(356,425)	0	0	(356,425)	0	709,771	0	680,571	680,571	21,097	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					1,990,342	XXX	1,352,886	1,676,013	(356,425)	(9,817)	0	(366,242)	0	1,309,771	0	680,571	680,571	55,865	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-Sn 1
NONE

Sch. DB-Pt D-Sn 2
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
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		0.010	225	96	(3,879,834)	(1,969,945)	4,338,179	XXX
Simmons First National Bank	Pine Bluff, AR					61,937	27,137	56,530	XXX
0199999. Total Open Depositories		XXX	XXX	225	96	(3,817,897)	(1,942,808)	4,394,709	XXX
0399999. Total Cash on Deposit		XXX	XXX	225	96	(3,817,897)	(1,942,808)	4,394,709	XXX
0599999. Total Cash		XXX	XXX	225	96	(3,817,897)	(1,942,808)	4,394,709	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