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HEALTH QUARTERLY STATEMENT

As of June 30, 2014

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. John Charles Glassford Jr. #	Chief Executive Officer	2. Gray Donald Dillard	Treasurer
3. Scott Bradley Winter	Assistant Treasurer	4. Kathleen O'Dea Ryan	Vice President

OTHER

James Sterling Adamson Jr. MD	Chairman	David Frank Bridges Jr. #	Assistant Secretary
Russell Doyne Harrington Jr.	Secretary	Robert Cecil Roberts	Vice Chairman

DIRECTORS OR TRUSTEES

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

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)
John Charles Glassford Jr.	Gray Donald Dillard	Scott Bradley Winter
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
Chief Executive Officer	Treasurer	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	91,366,152		91,366,152	75,093,516
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	26,568,487		26,568,487	25,506,976
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 $.....0 encumbrances)			0	
5. Cash ($.....16,111,018), cash equivalents ($.....0) and short-term investments ($.....19,063,741)	35,174,759		35,174,759	45,534,426
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)	153,109,398	0	153,109,398	146,134,918
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	811,660		811,660	693,715
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 $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums	1,977,715	329,221	1,648,494	2,358,335
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	136,340
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	11,588,924	1,530,782	10,058,142	3,295,544
18.1 Current federal and foreign income tax recoverable and interest thereon	1,368,134		1,368,134	1,174,075
18.2 Net deferred tax asset	695,869	695,869	0	
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($.....0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	13,337		13,337	
24. Health care ($.....1,119,670) and other amounts receivable	1,862,031	742,278	1,119,753	938,388
25. Aggregate write-ins for other than invested assets	2,836,844	0	2,836,844	2,502,249
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	174,263,912	3,298,150	170,965,762	157,233,564
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	174,263,912	3,298,150	170,965,762	157,233,564

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	2,836,844		2,836,844	2,502,249
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)	2,836,844	0	2,836,844	2,502,249

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $.....6,320,112 reinsurance ceded)	23,912,230		23,912,230	15,317,208
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses	338,717		338,717	320,980
4. Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	124,137		124,137	124,137
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	3,245,243		3,245,243	3,482,196
9. General expenses due or accrued	4,859,032		4,859,032	1,565,476
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	
10.2 Net deferred tax liability	2,691,088		2,691,088	2,173,980
11. Ceded reinsurance premiums payable	196,405		196,405	194,280
12. Amounts withheld or retained for the account of others	5,122,340		5,122,340	5,059,000
13. Remittances and items not allocated	944,092		944,092	50,320
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	6,272,182		6,272,182	8,022,752
16. Derivatives			0	
17. Payable for securities			0	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....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	3,382,132		3,382,132	3,963,523
23. Aggregate write-ins for other liabilities (including $.....0 current)	891,195	0	891,195	105,636
24. Total liabilities (Lines 1 to 23)	51,978,793	0	51,978,793	40,379,488
25. Aggregate write-ins for special surplus funds	XXX	XXX	1,000,000	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	116,057,819	114,924,923
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	118,986,972	116,854,076
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	170,965,765	157,233,564

DETAILS OF WRITE-INS

2301. Unclaimed property	155,139		155,139	155,139
2302. Miscellaneous payables	736,056		736,056	(49,503)
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)	891,195	0	891,195	105,636
2501. 2015 ACA Insurer Fee estimate	XXX	XXX	1,000,000	
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	1,000,000	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	297,373	274,549	562,363
2. Net premium income (including $.....0 non-health premium income)	XXX	85,737,868	74,963,179	153,817,848
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	85,737,868	74,963,179	153,817,848
Hospital and Medical:				
9. Hospital/medical benefits		60,899,514	57,354,436	121,685,937
10. Other professional services				
11. Outside referrals		1,597,012	1,333,322	2,737,165
12. Emergency room and out-of-area		15,117,793	13,475,078	30,014,492
13. Prescription drugs		25,726,258	23,142,206	48,643,825
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		(1,698,171)	274,342	(4,875,424)
16. Subtotal (Lines 9 to 15)	0	101,642,406	95,579,384	198,205,995
Less:				
17. Net reinsurance recoveries		32,301,681	34,651,199	69,807,075
18. Total hospital and medical (Lines 16 minus 17)	0	69,340,725	60,928,185	128,398,920
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....1,110,748 cost containment expenses		1,668,142	1,665,710	2,835,867
21. General administrative expenses		10,889,686	6,662,873	15,135,044
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	81,898,553	69,256,768	146,369,831
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	3,839,315	5,706,411	7,448,017
25. Net investment income earned		1,278,043	1,228,399	2,141,425
26. Net realized capital gains (losses) less capital gains tax of $.....245,373		458,810	1,293,640	948,243
27. Net investment gains or (losses) (Lines 25 plus 26)	0	1,736,853	2,522,039	3,089,668
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	125,895	134,285	392,805
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	5,702,064	8,362,735	10,930,490
31. Federal and foreign income taxes incurred	XXX	2,333,654	2,218,711	3,404,617
32. Net income (loss) (Lines 30 minus 31)	XXX	3,368,410	6,144,024	7,525,873

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		13,337	80,002	160,000
2902. Miscellaneous Income		112,558	54,283	232,805
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	125,895	134,285	392,805

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	116,854,074	109,341,607	109,341,607
34. Net income or (loss) from Line 32	3,368,410	6,144,024	7,525,873
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	975,071	(228,064)	1,215,680
37. Change in net unrealized foreign exchange capital gain or (loss)	139,946	(591,574)	(367,601)
38. Change in net deferred income tax	44,248	298,374	168,079
39. Change in nonadmitted assets	(1,607,215)	(2,225,483)	(157,056)
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	(787,562)	(872,508)	(872,508)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	2,132,898	2,524,769	7,512,467
49. Capital and surplus end of reporting period (Line 33 plus 48)	118,986,972	111,866,376	116,854,074

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	86,024,300	76,743,589	155,607,972
2. Net investment income	1,655,321	1,517,361	2,986,477
3. Miscellaneous income			
4. Total (Lines 1 through 3)	87,679,621	78,260,950	158,594,449
5. Benefit and loss related payments	60,877,694	64,761,811	130,106,704
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	17,049,774	17,102,349	17,563,157
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	2,773,086	2,939,910	5,120,195
10. Total (Lines 5 through 9)	80,700,554	84,804,070	152,790,056
11. Net cash from operations (Line 4 minus Line 10)	6,979,066	(6,543,120)	5,804,393
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	6,712,646	6,422,065	11,042,272
12.2 Stocks	1,001,567	3,396,115	6,585,003
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			405
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	7,714,213	9,818,181	17,627,680
13. Cost of investments acquired (long-term only):			
13.1 Bonds	23,222,974	16,172,553	25,192,321
13.2 Stocks		3,676,817	5,462,153
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)	23,222,974	19,849,369	30,654,474
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(15,508,761)	(10,031,189)	(13,026,794)
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	787,562	872,508	872,508
16.6 Other cash provided (applied)	(1,042,410)	(612,789)	458,668
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(1,829,972)	(1,485,297)	(413,840)
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)	(10,359,667)	(18,059,606)	(7,636,240)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	45,534,426	53,170,667	53,170,667
19.2 End of period (Line 18 plus Line 19.1)	35,174,760	35,111,061	45,534,426

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	71,911		71,911							
2. First Quarter	71,228		70,882					346		
3. Second Quarter	70,409		70,057					352		
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	426,463		424,402					2,061		
Total Member Ambulatory Encounters for Period:										
7. Physician	15,820		15,820							
8. Non-Physician	36,246		36,246							
9. Total	52,066	0	52,066	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	7,935		7,935							
11. Number of Inpatient Admissions	2,008		2,008							
12. Health Premiums Written (a)	126,766,974		125,503,904					1,263,070		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	126,766,974		125,503,904					1,263,070		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	95,194,940		93,987,242					1,207,698		
18. Amount Incurred for Provision of Health Care Services	101,642,406		100,169,771					1,472,635		

(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)						
0299999. Aggregate Accounts Not Individually Listed-Uncovered	9,988,318	47,807	47,487	15,215		10,098,827
0499999. Subtotals	9,988,318	47,807	47,487	15,215	0	10,098,827
0599999. Unreported Claims and Other Claim Reserves						17,154,387
0699999. Total Amounts Withheld						2,979,128
0799999. Total Claims Unpaid						30,232,342

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)	12,792,285	50,055,846	(265,992)	24,178,222	12,526,293	15,317,208
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)	12,792,285	50,055,846	(265,992)	24,178,222	12,526,293	15,317,208
10. Healthcare receivables (a)		404,257			0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts		(1,698,171)			0	
13. Totals (Lines 9-10+11+12)	12,792,285	47,953,418	(265,992)	24,178,222	12,526,293	15,317,208

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the company are presented on the basis of accounting practices prescribed or permitted by the Arkansas 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	2014	2013
NET INCOME			
(1) HMO Partner's state basis (Page 4, Line 32, Columns 2 & 3)		3,368,410	7,525,873
(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)		3,368,410	7,525,873
SURPLUS			
(5) HMO Partner's state basis (Page 3, Line 33, Columns 3&4)		118,986,972	116,854,076
(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)		118,986,972	116,854,076

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 have 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. The claims liability is set at the regional level, but there are reasonableness checks using a reserve set on an overall basis. When setting liability, the four methods described below are employed. Based on the estimates of these methods and retrospective considerations, the best estimate is set and then an explicit margin is added to ensure that the estimate is good and sufficient. Historically the method relied on the most is the Lag Method.

a. **Lag (Development) Method:** A claims triangle is constructed for each block of business. Based on the claims payment

patterns, the last 3 months of data are completed manually by adjusting the completion factors. This, in turn, provides an estimate of incurred claims and incurred per member numbers. For the months prior to the most recent three, the completion factors used to complete the data are based on the historical claims payment patterns

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

c. **IBNR Method:** As the base liability estimate, the liability from one year ago is used and trended forward with adjustments for trend, membership, and backlog.

d. **Aggregate Method:** Here, twelve months of paid claims are subtracted from 12 months of estimated incurred claims to get the liability estimate.

(12) The Company has not modified its capitalization policy from the prior period.

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

2. Accounting Changes and Corrections of Errors

No significant change.

3. Business Combinations and Goodwill

No significant change.

4. Discontinued Operations

No significant change

5. Investments

A. The Company has no mortgage loans at this time.
B. The Company has no debt restructuring at this time.
C. The Company has no reverse mortgages at this time.
D. The Company has no loan-backed securities at this time.
E. The Company has no repurchase agreements or securities lending transactions at this time.
F. The Company has no investments in real estate at this time.
G. The Company has no investments in low-income housing tax credits

6. Joint Ventures, Partnerships, and Limited Liability Companies

No significant change.

7. Investment Income

No significant change.

8. Derivative Instruments

No significant change

Note 9: Income Taxes

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

1.

	06/30/14		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	1,595,699	1,102,550	2,698,250
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	1,595,699	1,102,550	2,698,250
(d) Deferred Tax Assets Nonadmitted	695,869	0	695,869
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	899,831	1,102,550	2,002,381
(f) Deferred Tax Liabilities	49,830	4,643,640	4,693,469
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	850,001	(3,541,089)	(2,691,088)

	12/31/13		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	1,545,936	1,102,550	2,648,486
(b) Statutory Valuation Allowance Adjustment	0	0	0

NOTES TO FINANCIAL STATEMENTS

(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	1,545,936	1,102,550	2,648,486
(d) Deferred Tax Assets Nonadmitted	734,907	0	734,907
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	811,029	1,102,550	1,913,579
(f) Deferred Tax Liabilities	10,792	4,076,769	4,087,560
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	800,237	(2,974,218)	(2,173,981)

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
(a) Gross Deferred Tax Assets	49,763	0	49,763
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	49,763	0	49,763
(d) Deferred Tax Assets Nonadmitted	(39,038)	0	(39,038)
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	88,802	0	88,802
(f) Deferred Tax Liabilities	39,038	566,871	605,909
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	49,764	(566,871)	(517,107)

2.

	06/30/14		
	(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	850,001	0	850,001
(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	17,238,738
(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	49,830	1,102,550	1,152,380
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	899,831	1,102,550	2,002,381

	12/31/13		
	(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	800,238	0	800,238
(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	10,792	1,102,550	1,113,342
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	811,030	1,102,550	1,913,580

	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	49,763	0	49,763

NOTES TO FINANCIAL STATEMENTS

(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	39,038	0	39,038
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	88,801	0	88,801

3.

	2014	2013
(a) Ratio Percentage used to determine Recovery Period and Threshold Limitation Amount	1892%	1892%
(b) Amount of Adjusted Capital and Surplus used to determine Recovery Period and Threshold Limitation in 2(b)2 above	114,924,923	114,924,923

4.

	06/30/14		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Impact of Tax Planning Strategies			
(a) Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage	0%	0%	0%
1. Adjusted Gross DTAa Amount From Note 9A1(c)	0%	0%	0%
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	0%	0%	0%
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%

	12/31/13		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Impact of Tax Planning Strategies			
(a) Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage	0%	0%	0%
1. Adjusted Gross DTAa Amount From Note 9A1(c)	0%	0%	0%
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	0%	0%	0%
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	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) Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage	0%	0%	0%
1. Adjusted Gross DTAa Amount From Note 9A1(c)	0%	0%	0%
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	0%	0%	0%
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes _____

NOTES TO FINANCIAL STATEMENTS

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) 06/30/14	(2) 12/31/13	(3) (Col 1-2) Change
(a) Federal	2,310,569	3,354,409	(1,043,840)
(b) Foreign	-	-	-
(c) Subtotal	2,310,569	3,354,409	(1,043,840)
(d) Federal Income Tax on net capital gains	245,373	906,843	(661,470)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	50,208	(50,208)
(g) Federal & Foreign income tax incurred	2,555,941	4,311,460	(1,755,519)

2. Deferred Tax Assets:

	(1) 06/30/14	(2) 12/31/13	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	213,752	213,407	345
(2) Unearned premium reserves	227,167	243,752	(16,585)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred Acquisition Costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	-	-	-
(8) Compensation and benefits accrual	1,039,554	1,039,554	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	-	-	-
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other	115,226	49,223	66,003
(99) Subtotal - Ordinary	1,595,699	1,545,936	49,763
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted - Ordinary	695,869	734,907	(39,038)
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	899,831	811,029	88,802
(e) Capital:	-	-	-
(1) Investments	1,102,550	1,102,550	-

NOTES TO FINANCIAL STATEMENTS

(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
(99) Subtotal - Capital	1,102,550	1,102,550	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted - Capital	-	-	-
(h) Admitted capital deferred tax assets (2a99-2b-2c)	1,102,550	1,102,550	-
(i) Admitted deferred tax assets (2d + 2h)	2,002,381	1,913,579	88,802

3. Deferred Tax Liabilities:

	(1) 06/30/14	(2) 12/31/13	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Investments			
Accrued Dividends	19,840	14,324	5,516
Unrealized Gains/(Losses)-SSP	29,989	(3,532)	33,521
Total Investments	49,830	10,792	39,038
(2) Fixed Assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	-	-	-
(99) Subtotal - Ordinary	49,830	10,792	39,038
(b) Capital:	-	-	-
(1) Investments	4,643,640	4,076,769	566,871
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal - Capital	4,643,640	4,076,769	566,871
(c) Deferred tax liabilities (3a99 + 3b99h)	4,693,469	4,087,560	605,909

4. Net Deferred Tax Assets/Liabilities (2i - 3c)	(2,691,088)	(2,173,981)	(517,107)

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

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

	06/30/14	
	Amounts	Effective Tax Rate %
Provision computed at statutory rate	2,073,523	35.0%
Tax exempt income deduction	(770)	0.0%
Dividends received deduction	(47,480)	-0.8%
Tax differentials on foreign earnings	0	0.0%
Nondeductible expenses	585,361	9.9%

NOTES TO FINANCIAL STATEMENTS

Tax Credits	(23,086)	-0.4%
Rate Differential	(75,854)	-1.3%
Other	0	0.0%
Total	2,511,695	42.4%
Federal and foreign income taxes incurred	2,310,569	39.0%
Realized capital gains/(losses) tax	245,373	4.1%
Change in net deferred income taxes	(44,247)	-0.7%
Total statutory income taxes	2,511,695	42.4%

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 2014 and 2013 that is available for recoupment in the event of future net losses.

Year	Amount
2014	2,424,120
2013	4,052,468

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.

10. Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

11. Debt

A. As of June 30, 2014, the Company has no capital notes.
As of June 30, 2014, the Company's liability for borrowed money was zero ($-0-).
B. As of June 30, 2014, the Company has no FHLB agreements.

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.

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

No significant change.

14. Contingencies

No significant change.

15. Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

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

No significant change.

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

No significant change.

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

No significant change

20. Fair Value Measurement

A.

1. Fair Value Measurements at Reporting Date

Description	Level 1	Level 2	Level 3	Total
a. Assets at Fair Value				
Perpetual Preferred Stock	$0	$0	$0	$0
Industrial and Misc	$0	$0	$0	$0
Parent, Subsidiaries and Affiliates	$0	$0	$0	$0
Total Perpetual Preferred Stocks				
Bonds				
U.S. Governments				
Industrial and Misc				
Hybrid Securities				
Parent, Subsidiaries and Affiliates				
Total Bonds				
Common Stock				
Industrial and Misc	$17,304,270	$9,264,217	$0	$26,568,487
Parent, Subsidiaries and Affiliates	$0	$0	$0	$0
Supplemental Savings Plan	$ 2,836,844	$0	$0	$2,836,844
Total Common Stock				
Total Assets at Fair Value	$20,141,114	$9,264,217	$0	$29,405,331

Derivative Assets (none)

Liabilities (none)

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 June 30, 2014, the reported fair value of the reporting entities investments in Level 2 common stock was $9,264,217. These securities are foreign common stock. To measure their fair value the reporting entity used current market prices in U.S. dollars.

21. Other Items

H. N/A

J. Risk Sharing Provisions of the Affordable Care Act

(1) Permanent Risk Adjustment Program

Assets	Amount
a. Premium adjustments receivable	$0
Liabilities	
b. Risk adjustment user fees payable	$0
c. Premium adjustments payable	$0

Operations (Revenue & Expense)

d.	Premium for accident and health contracts (written/collected)	$0

(2) Transitional Reinsurance Program

Assets

a.	Amounts recoverable for claims paid	$0
b.	Amounts recoverable for claims unpaid	$0
c.	Amounts receivable relating to uninsured plans	$0

Liabilities

d.	Claims unpaid-ceded	$0
e.	Contributions payable-not reported as ceded premium	$0
f.	Ceded reinsurance premiums payable	$0
g.	Liability for amounts held under uninsured plans	$0

Operations (Revenue & Expense)

h.	Ceded reinsurance premiums	$0
i.	Reinsurance recoveries	$0
j.	Contributions-not reported as ceded premium	$1,566,285

(3) Temporary Risk Corridors Program

Assets

a.	Accrued retrospective premium	$0

Liabilities

b.	Reserve for rate credits or policy experience rating refunds	$0

Operations (Revenue & Expense)

c.	Net premium income (paid/received)	$0
d.	Change in reserves for rate credits	$0

(4) Have there been any material re-estimations and/or impairments for the reporting period **NO**

22. Events Subsequent

Type II – Nonrecognized Subsequent Events

No significant change.

23. Reinsurance

No significant change

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of March 31, 2014 were $13,116,691. As of June 30, 2014, $12,792,285 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now ($265,992) as a result of re-estimation of unpaid claims and claim adjustment expenses principally on all lines of insurance. Therefore, there has been a $590,398 (favorable) prior year development since March 31, 2014. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

NOTES TO FINANCIAL STATEMENTS

26. Intercompany Pooling Arrangements

No significant change.

27. Structured Settlements

This note is not applicable to health entities.

28. Health Care Receivables

No significant change.

29. Participating Policies

No significant change.

30. Premium Deficiency Reserves

No significant change

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 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? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1 and 1A.

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

3.3 If the response to 3.2 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]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

PART 1 - FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $.....13,337

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 reported 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 [X]

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

PART 1 - INVESTMENT

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	80.1 %
1.2 A&H cost containment percent	1.8 %
1.3 A&H expense percent excluding cost containment expenses	14.9 %

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 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsuer Rating

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	124,497,410	1,263,070					125,760,480	
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	124,497,410	1,263,070	0	0	0	0	125,760,480	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	1,006,494						1,006,494	
61. Total (Direct Business)	(a) 1	125,503,904	1,263,070	0	0	0	0	126,766,974	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

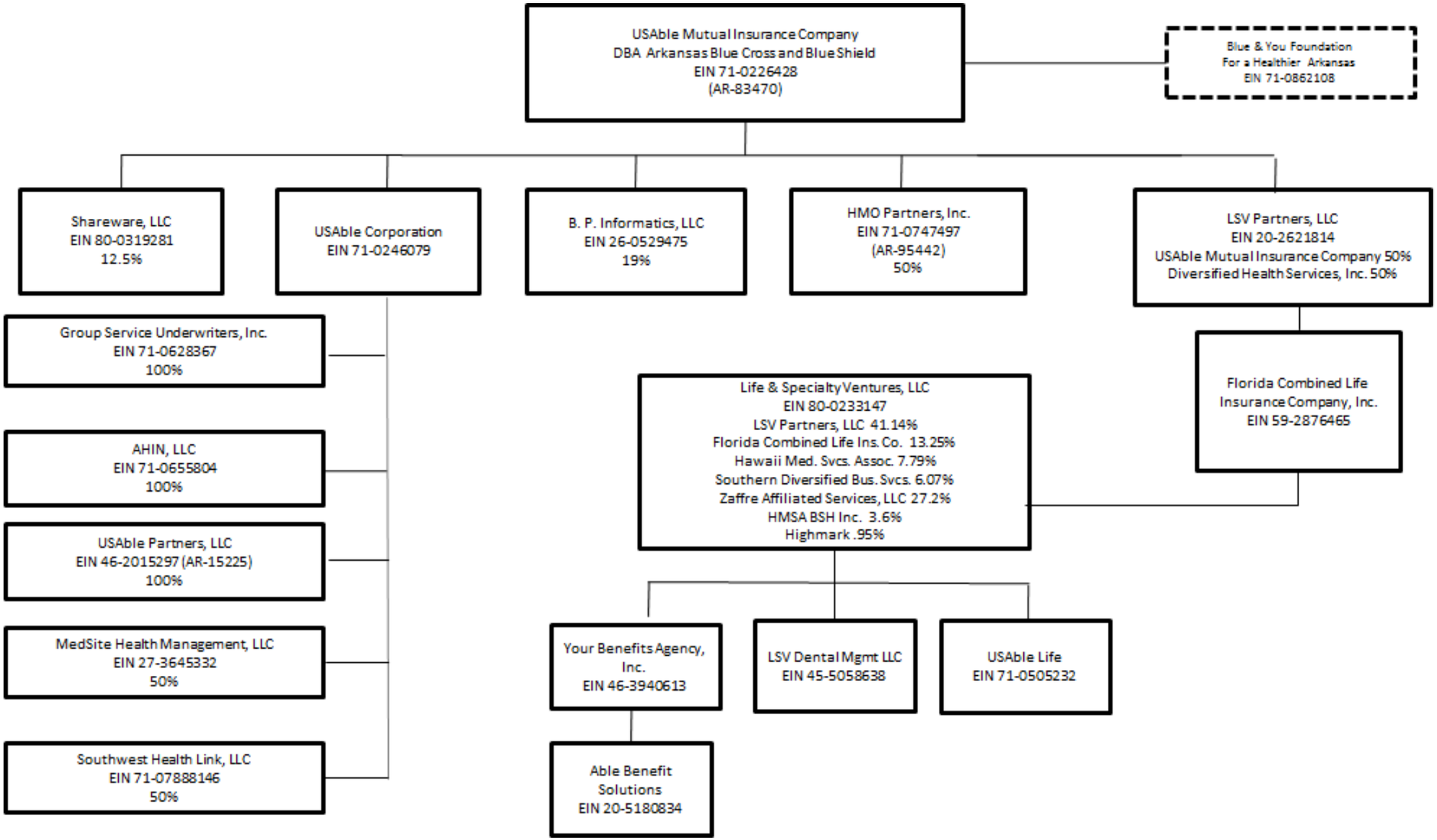
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

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

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

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

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
Members														
0876	USAble Mutual Insurance Company	83470	71-0226428				USAble Mutual Insurance Company	AR		USAble Mutual Insurance Company	Board		USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0862108				Blue & You Foundation	AR	NIA	USAble Mutual Insurance Company	Ownership, Board, Influence		USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		80-0319281				Shareware, LLC	AR	DS	USAble Mutual Insurance Company	Ownership, Influence	12.500	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		26-0529475				B.P. Informatics, LLC	AR	DS	USAble Mutual Insurance Company	Ownership, Influence, Board	19.085	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0246079				USAble Corporation	AR	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company	95442	71-0747497				HMO Partners, Inc.	AR	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		20-2621814				LSV Partners, LLC	DE	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0628367				Group Service Underwriters, Inc.	AR	DS	USAble Corporation	Ownership, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0655804				AHIN, LLC	AR	DS	USAble Corporation	Ownership, Influence	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		71-0788146				Southwest Health Link, LLC	AR	DS	USAble Corporation	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		27-3645332				MedSite Health Management, LLC	AR	DS	USAble Corporation	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company	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	94358	71-0505232				USAble Life	AR	IA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	
0876	USAble Mutual Insurance Company		46-3940613				Your Benefits Agency, Inc.	AR	NIA	Life and Specialty Ventures, LLC	Ownership	100.000	USAble Mutual Insurance Company	

Asterisk	Explanation

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1.

Bar Code:

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

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	100,600,492	85,370,886
2. Cost of bonds and stocks acquired	23,222,974	30,654,474
3. Accrual of discount	29,447	45,459
4. Unrealized valuation increase (decrease)	1,404,332	1,802,559
5. Total gain (loss) on disposals	700,976	2,761,549
6. Deduct consideration for bonds and stocks disposed of	7,714,213	17,627,275
7. Deduct amortization of premium	524,670	934,769
8. Total foreign exchange change in book/adjusted carrying value	215,301	(565,539)
9. Deduct current year's other than temporary impairment recognized		906,853
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	117,934,638	100,600,492
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	117,934,638	100,600,492

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	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. NAIC 1 (a)	99,863,619	26,778,636	24,283,629	(160,316)	99,863,619	102,198,310		99,844,499
2. NAIC 2 (a)	8,828,354		1,614,449	(30,662)	8,828,354	7,183,242		7,182,821
3. NAIC 3 (a)								
4. NAIC 4 (a)	1,033,000			15,334	1,033,000	1,048,334		1,016,250
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	109,724,973	26,778,636	25,898,078	(175,645)	109,724,973	110,429,886	0	108,043,571
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	109,724,973	26,778,636	25,898,078	(175,645)	109,724,973	110,429,886	0	108,043,571

(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	19,063,741	XXX	19,058,301	2	

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	32,950,062	39,843,706
2. Cost of short-term investments acquired	41,509,786	135,220,649
3. Accrual of discount	8,997	29,012
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	87	405
6. Deduct consideration received on disposals	55,403,423	142,134,762
7. Deduct amortization of premium	1,769	8,948
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)	19,063,741	32,950,062
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	19,063,741	32,950,062

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

Sch. E-Verification
NONE

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
912828 D2 3	US TREASURY N/B		04/24/2014	MERRILL LYNCH PIERCE FENNER		1,988,281	2,000,000		1
0599999. Total Bonds - U.S Government						1,988,281	2,000,000	0	XXX
Bonds - U.S. Special Revenue and Special Assessment									
880591 CU 4	TENN VALLEY AUTHORITY		06/23/2014	RAYMOND JAMES/FI		585,000	500,000	781	1
3199999. Total Bonds - U.S. Special Revenue and Special Assessment						585,000	500,000	781	XXX
Bonds - Industrial and Miscellaneous									
00206R CC 4	AT&T INC		06/12/2014	RAYMOND JAMES/FI		757,050	750,000	4,648	1FE
009158 AS 5	AIR PRODUCTS & CHEMICALS		06/16/2014	RAYMOND JAMES/FI		499,675	500,000	1,067	1FE
037411 AP 0	APACHE CORP		04/14/2014	BNY/SUNTRUST CAPITAL MARKETS		630,455	500,000	11,226	1FE
037833 AQ 3	APPLE INC		06/18/2014	RAYMOND JAMES/FI		501,145	500,000	1,371	1FE
110122 AV 0	BRISTOL-MYERS SQUIBB CO		06/16/2014	RAYMOND JAMES/FI		989,710	1,000,000	5,250	1FE
149123 BQ 3	CATERPILLAR INC		04/30/2014	RAYMOND JAMES/FI		629,310	500,000	15,361	1FE
20826F AB 2	CONOCOPHILLIPS COMPANY		06/25/2014	RAYMOND JAMES/FI		495,315	500,000	219	1FE
244199 BC 8	DEERE & COMPANY		05/09/2014	RAYMOND JAMES/FI		334,473	300,000	1,021	1FE
263534 BT 5	E.I. DU PONT DE NEMOURS		06/10/2014	RAYMOND JAMES/FI		585,215	500,000	12,333	1FE
494368 BD 4	KIMBERLY-CLARK CORP		06/13/2014	RAYMOND JAMES/FI		257,005	208,000	2,037	1FE
494368 BN 2	KIMBERLY-CLARK CORP		06/10/2014	RAYMOND JAMES/FI		497,500	500,000	554	1FE
532457 BF 4	ELI LILLY & CO		06/12/2014	RAYMOND JAMES/FI		498,865	500,000	3,033	1FE
740189 AK 1	PRECISION CASTPARTS CORP		06/13/2014	RAYMOND JAMES/FI		420,320	424,000	2,253	1FE
755111 BT 7	RAYTHEON COMPANY		06/17/2014	RAYMOND JAMES/FI		515,635	500,000	2,821	1FE
882508 AU 8	TEXAS INSTRUMENTS INC		06/11/2014	RAYMOND JAMES/FI		491,500	500,000	3,048	1FE
88579Y AE 1	3M COMPANY		04/29/2014	RAYMOND JAMES/FI		1,000,000	1,000,000	3,500	1FE
913017 BM 0	UNITED TECHNOLOGIES CORP		06/24/2014	RAYMOND JAMES/FI		568,295	500,000	896	1FE
983919 AG 6	XILINX INC		06/18/2014	Stephens Inc.		499,430	500,000	2,981	1FE
3899999. Total Bonds - Industrial and Miscellaneous						10,170,897	9,682,000	73,618	XXX
8399997. Total Bonds - Part 3						12,744,179	12,182,000	74,399	XXX
8399999. Total Bonds						12,744,179	12,182,000	74,399	XXX
9999999. Total Bonds, Preferred and Common Stocks						12,744,179	XXX	74,399	XXX

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
912828 CJ 7	US TREASURY N/B		05/15/2014	Maturity		1,000,000	1,000,000	1,118,438	1,009,269		(9,269)		(9,269)		1,000,000			0	23,750	05/15/2014	1
0599999. Total Bonds - U.S Government						1,000,000	1,000,000	1,118,438	1,009,269	0	(9,269)	0	(9,269)	0	1,000,000	0	0	0	23,750	XXX	XXX
Bonds - Industrial and Miscellaneous																					
149123 BU 4	CATERPILLAR INC		05/27/2014	Maturity		500,000	500,000	506,430	501,699		(1,699)		(1,699)		500,000			0	3,438	05/27/2014	1FE
292506 AA 0	ENCANA HLDINGS FIN CORP	I	04/28/2014	CALLS		615,283	615,000	620,623	615,573		(559)		(559)		615,014		269	269	17,538	05/01/2014	2FE
31331F AB 7	FEDEX CORP 1993 PASS TST		05/22/2014	Direct		164,991	164,991	169,707	164,992		0		0		164,992		(2)	(2)	7,227	05/22/2015	1FE
655044 AA 3	NOBLE ENERGY INC		04/15/2014	Maturity		250,000	250,000	229,485	248,660		1,340		1,340		250,000			0	6,563	04/15/2014	2FE
84474E AB 6	SW AIRLINES 93-A TRUST		06/29/2014	Direct		68,357	68,357	71,706	69,420		15		15		69,435		(1,078)	(1,078)	2,577	06/29/2015	2FE
91913Y AK 6	VALERO ENERGY CORP		04/01/2014	Maturity		500,000	500,000	534,895	502,524		(2,524)		(2,524)		500,000			0	11,875	04/01/2014	2FE
96332H CB 3	WHIRLPOOL CORP		05/01/2014	Maturity		180,000	180,000	185,602	180,446		(446)		(446)		180,000			0	7,740	05/01/2014	2FE
98458P AB 1	YALE UNIVERSITY		04/15/2014	Redemption		112,486	111,000	117,952	113,086		(757)		(757)		112,329		157	157	1,610	10/15/2014	1FE
3899999. Total Bonds - Industrial and Miscellaneous						2,391,116	2,389,347	2,436,399	2,396,400	0	(4,630)	0	(4,630)	0	2,391,770	0	(654)	(654)	58,566	XXX	XXX
8399997. Total Bonds - Part 4						3,391,116	3,389,347	3,554,837	3,405,669	0	(13,899)	0	(13,899)	0	3,391,770	0	(654)	(654)	82,316	XXX	XXX
8399999. Total Bonds						3,391,116	3,389,347	3,554,837	3,405,669	0	(13,899)	0	(13,899)	0	3,391,770	0	(654)	(654)	82,316	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
750438 10 3	RADIOSHACK CORP		06/23/2014	CSS FINANCIAL SERVICES INC.	33,200.000	26,919	XXX	70,384	86,320	(15,936)			(15,936)		70,384		(43,465)	(43,465)		XXX	L
9099999. Total Common Stocks - Industrial and Miscellaneous						26,919	XXX	70,384	86,320	(15,936)	0	0	(15,936)	0	70,384	0	(43,465)	(43,465)	0	XXX	XXX
9799997 Total Common Stocks - Part 4						26,919	XXX	70,384	86,320	(15,936)	0	0	(15,936)	0	70,384	0	(43,465)	(43,465)	0	XXX	XXX
9799999. Total Common Stocks						26,919	XXX	70,384	86,320	(15,936)	0	0	(15,936)	0	70,384	0	(43,465)	(43,465)	0	XXX	XXX
9899999. Total Preferred and Common Stocks						26,919	XXX	70,384	86,320	(15,936)	0	0	(15,936)	0	70,384	0	(43,465)	(43,465)	0	XXX	XXX
9999999. Total Bonds, Preferred and Common Stocks						3,418,035	XXX	3,625,221	3,491,989	(15,936)	(13,899)	0	(29,835)	0	3,462,154	0	(44,119)	(44,119)	82,316	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 A-Sn 1-Footnote A
NONE

Sch. DB-Pt A-Sn 1-Footnote B
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1-Footnote A
NONE

Sch. DB-Pt B-Sn 1-Footnote B
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	991	94	419,823	7,230,019	16,059,356	XXX
Simmons First National Bank	Pine Bluff, AR					88,762	211,862	51,662	XXX
0199999. Total Open Depositories		XXX	XXX	991	94	508,585	7,441,881	16,111,018	XXX
0399999. Total Cash on Deposit		XXX	XXX	991	94	508,585	7,441,881	16,111,018	XXX
0599999. Total Cash		XXX	XXX	991	94	508,585	7,441,881	16,111,018	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