



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2009
 OF THE CONDITION AND AFFAIRS OF THE

American Dental Providers of Arkansas, Inc.

NAIC Group Code 0119 , 0119 NAIC Company Code 11559 Employer's ID Number 58-2302163
(Current Period) (Prior Period)

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

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

Incorporated/Organized 01/29/1997 Commenced Business 03/20/1997

Statutory Home Office c/oCSC300SpringBldg,Ste900,300S.SpringSt , Little Rock, AR 72201
(Street and Number) (City, State and Zip Code)

Main Administrative Office 100 Mansell Court East, Suite 400
(Street and Number)
Roswell, GA 30076 770-998-8936
(City, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 100 Mansell Court East, Suite 400 , Rosell, GA 30076
(Street and Number or P.O. Box) (City, State and Zip Code)

Primary Location of Books and Records 100 Mansell Court East, Suite 400
(Street and Number)
Roswell, GA 30076 , 770-998-8936
(City, State and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.compbenefits.com

Statutory Statement Contact Sophia Chen , 502-580-3766
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(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Gerald Lawrence Ganoni</u> ,	<u>President</u>	<u>Joan Olliges Lenahan</u> ,	<u>VP & Corporate Secretary</u>
<u>James Harry Bloem</u> ,	<u>Sr. VP, CFO & Treasurer</u>	<u>Frank Murray Amrine</u> ,	<u>Appointed Actuary</u>

OTHER OFFICERS

<u>George Grant Bauernfeind</u> ,	<u>Vice President</u>	<u>Elizabeth Diane Bierbower #</u>	<u>COO-Specialty Benefits</u>
<u>John Gregory Catron</u> ,	<u>Vice President</u>	<u>John Edward Lumpkins</u> ,	<u>Vice President</u>
<u>Heidi Suzanne Margulis</u> ,	<u>Sr. Vice President</u>	<u>Mark Matthew Matzke</u> ,	<u>VP-Dental Segment Lead</u>
<u>Kathleen Stephenson Pellegrino</u> ,	<u>VP & Asst. Secretary</u>	<u>Gilbert Alan Stewart</u> ,	<u>Vice President</u>
<u>William Joseph Tait</u> ,	<u>Vice President</u>	<u>Gary Dean Thompson</u> ,	<u>Vice President</u>
<u>Melissa Louise Weaver M.D. #</u> ,	<u>Vice President</u>	<u>Tod James Zacharias</u> ,	<u>Vice President</u>

DIRECTORS OR TRUSTEES

<u>Michael Benedict McCallister</u>	<u>James Elmer Murray</u>	<u>Melissa Louise Weaver M.D. #</u>
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State of Kentucky **SS**
 County of Jefferson

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.

Gerald Lawrence Ganoni
 President

Joan Olliges Lenahan
 VP & Corporate Secretary

James Harry Bloem
 Sr. VP, CFO & Treasurer

Subscribed and sworn to before me this
25th day of February, 2010

Julia Basham Notary Public
 January 10, 2013

- 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 _____

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	104,639		104,639	104,998
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	148,526
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$290,566 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$25,448 , Schedule DA).....	316,014		316,014	109,337
6. Contract loans (including \$premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	420,653	0	420,653	362,861
11. Title plants less \$charged off (for Title insurers only)			0	0
12. Investment income due and accrued	769		769	2,142
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	11,649	1,803	9,846	7,027
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			0	0
13.3 Accrued retrospective premiums.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset.....	4,718	459	4,259	3,692
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software.....			0	0
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates			0	0
22. Health care (\$) and other amounts receivable.....			0	0
23. Aggregate write-ins for other than invested assets	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	437,789	2,262	435,527	375,722
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	437,789	2,262	435,527	375,722
DETAILS OF WRITE-INS				
0901.			0	
0902.			0	
0903.			0	
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0
2301.			0	
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	11,324	698	12,022	6,973
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	265		265	190
4. Aggregate health policy reserves	2,167		2,167	2,291
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	1,677		1,677	1,838
9. General expenses due or accrued	3,807		3,807	1,654
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	67,994		67,994	36,902
16. Payable for securities			0	0
17. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	87,234	698	87,932	49,848
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	100,000	100,000
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	2,607,976	2,607,976
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	(2,360,381)	(2,382,102)
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX		0
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	347,595	325,874
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	435,527	375,722
DETAILS OF WRITE-INS				
2101.			0	
2102.			0	
2103.			0	
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	0	0	0	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	9,480	7,862
2. Net premium income (including \$ non-health premium income).....	XXX	162,540	136,499
3. Change in unearned premium reserves and reserve for rate credits	XXX	122	(598)
4. Fee-for-service (net of \$ medical expenses)	XXX		.0
5. Risk revenue	XXX		.0
6. Aggregate write-ins for other health care related revenues	XXX	.0	.0
7. Aggregate write-ins for other non-health revenues	XXX	.0	.0
8. Total revenues (Lines 2 to 7)	XXX	162,662	135,901
Hospital and Medical:			
9. Hospital/medical benefits .....		.0	.0
10. Other professional services	4,125	94,108	50,886
11. Outside referrals .....			.0
12. Emergency room and out-of-area .....			.0
13. Prescription drugs .....			.0
14. Aggregate write-ins for other hospital and medical .....	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....			.0
16. Subtotal (Lines 9 to 15)	4,125	94,108	50,886
Less:			
17. Net reinsurance recoveries .....			.0
18. Total hospital and medical (Lines 16 minus 17)	4,125	94,108	50,886
19. Non-health claims (net).....			.0
20. Claims adjustment expenses, including \$331 cost containment expenses		2,145	1,384
21. General administrative expenses		37,201	26,364
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		.0	.0
23. Total underwriting deductions (Lines 18 through 22)	4,125	133,454	78,634
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	29,208	57,267
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		3,290	8,263
26. Net realized capital gains (losses) less capital gains tax of \$ .....			.0
27. Net investment gains (losses) (Lines 25 plus 26) .....	.0	3,290	8,263
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$ ..... )] .....			.0
29. Aggregate write-ins for other income or expenses .....	.0	1,405	1,825
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	33,903	67,355
31. Federal and foreign income taxes incurred	XXX	12,088	26,933
32. Net income (loss) (Lines 30 minus 31)	XXX	21,815	40,422
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
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	.0	.0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901. Administrative Income.....		1,405	1,825
2902. ....			.0
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	1,405	1,825

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	325,874	280,984
34. Net income or (loss) from Line 32	21,815	40,422
35. Change in valuation basis of aggregate policy and claim reserves .....		.0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		.0
37. Change in net unrealized foreign exchange capital gain or (loss) .....		.0
38. Change in net deferred income tax .....	.454	2,651
39. Change in nonadmitted assets	(548)	1,817
40. Change in unauthorized reinsurance .....	.0	.0
41. Change in treasury stock .....	.0	.0
42. Change in surplus notes .....	.0	.0
43. Cumulative effect of changes in accounting principles .....		.0
44. Capital Changes:		
44.1 Paid in .....	.0	.0
44.2 Transferred from surplus (Stock Dividend) .....		.0
44.3 Transferred to surplus .....		.0
45. Surplus adjustments:		
45.1 Paid in .....	.0	.0
45.2 Transferred to capital (Stock Dividend) .....	.0	.0
45.3 Transferred from capital .....		.0
46. Dividends to stockholders .....		.0
47. Aggregate write-ins for gains or (losses) in surplus .....	.0	.0
48. Net change in capital & surplus (Lines 34 to 47)	21,721	44,890
49. Capital and surplus end of reporting period (Line 33 plus 48)	347,595	325,874
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	.0	.0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	158,896	134,382
2. Net investment income	4,587	8,340
3. Miscellaneous income		0
4. Total (Lines 1 through 3)	163,483	142,722
5. Benefit and loss related payments	91,416	50,630
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	33,354	23,937
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	12,088	26,933
10. Total (Lines 5 through 9)	136,858	101,500
11. Net cash from operations (Line 4 minus Line 10)	26,625	41,222
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	105,000	0
12.2 Stocks	148,526	180,652
12.3 Mortgage loans		0
12.4 Real estate		0
12.5 Other invested assets		0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	253,526	180,652
13. Cost of investments acquired (long-term only):		
13.1 Bonds	104,566	0
13.2 Stocks		329,178
13.3 Mortgage loans		0
13.4 Real estate		0
13.5 Other invested assets		0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	104,566	329,178
14. Net increase (decrease) in contract loans and premium notes		0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	148,960	(148,526)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders		0
16.6 Other cash provided (applied)	31,092	(10,529)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	31,092	(10,529)
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)	206,677	(117,833)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	109,337	227,170
19.2 End of year (Line 18 plus Line 19.1)	316,014	109,337

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	162,540	0	0	52,552	0	109,988	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	122			(2,068)		2,190				
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	162,662	0	0	50,484	0	112,178	0	0	0	0
8. Hospital/medical benefits	0			0						XXX
9. Other professional services	94,108			43,404		50,704				XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	0									XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	94,108	0	0	43,404	0	50,704	0	0	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	94,108	0	0	43,404	0	50,704	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 375 cost containment expenses	2,145			989		1,156				
20. General administrative expenses	37,201			11,732		25,469				
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	133,454	0	0	56,125	0	77,329	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	29,208	0	0	(5,641)	0	34,849	0	0	0	0
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

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STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)				0
2. Medicare Supplement				0
3. Dental Only.....	52,552			52,552
4. Vision Only.....				0
5. Federal Employees Health Benefits Plan	109,988			109,988
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid.....				0
8. Other health.....				0
9. Health subtotal (Lines 1 through 8)	162,540	0	0	162,540
10. Life				0
11. Property/casualty.....				0
12. Totals (Lines 9 to 11)	162,540	0	0	162,540

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct	89,059			42,821		46,238				
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	89,059	0	0	42,821	0	46,238	0	0	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	12,022	0	0	883	0	11,139	0	0	0	0
3.3 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	12,022	0	0	883	0	11,139	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	6,973	0	0	302	0	6,671	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	6,973	0	0	302	0	6,671	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	94,108	0	0	43,402	0	50,706	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	94,108	0	0	43,402	0	50,706	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	2,906			3		2,903				
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	2,906	0	0	3	0	2,903	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct	8,243			8		8,235				
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	8,243	0	0	8	0	8,235	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	873			873						
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	873	0	0	873	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	12,022	0	0	884	0	11,138	0	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	12,022	0	0	884	0	11,138	0	0	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	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		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only	(8)	42,829		884	(8)	302
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan	9,763	36,474	113	11,025	9,876	6,671
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	9,755	79,303	113	11,909	9,868	6,973
10. Healthcare receivables (a).....					0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	9,755	79,303	113	11,909	9,868	6,973

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

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A – Paid Health Claims - Dental Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	(3)	(3)	(3)	.0	.0
2. 2005	43	43	43	43	43
3. 2006	XXX	26	26	26	26
4. 2007	XXX	XXX	30	30	30
5. 2008	XXX	XXX	XXX	23	23
6. 2009	XXX	XXX	XXX	XXX	43

Section B – Incurred Health Claims - Dental Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	(3)	(3)	(3)		
2. 2005	43	43	43	43	43
3. 2006	XXX	26	26	26	26
4. 2007	XXX	XXX		30	30
5. 2008	XXX	XXX	XXX	23	23
6. 2009	XXX	XXX	XXX	XXX	44

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Dental Only

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2005	.0	43	1	2.3	44	0.0			44	0.0
2. 2006	.0	26	1	3.8	27	0.0			27	0.0
3. 2007	71	30	1	3.3	31	43.7			31	43.7
4. 2008	54	23	1	4.3	24	44.4			24	44.4
5. 2009	53	43	1	2.3	44	83.0	1		45	84.9

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A – Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	.0	.0	.0	.0	
2. 2005	.0	.0	.0	.0	
3. 2006	XXX	.0	.0	.0	
4. 2007	XXX	XXX	.23	.26	.26
5. 2008	XXX	XXX	XXX	.23	.33
6. 2009	XXX	XXX	XXX	XXX	.36

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior					
2. 2005					
3. 2006	XXX				
4. 2007	XXX	XXX	.28	.30	.26
5. 2008	XXX	XXX	XXX	.30	.33
6. 2009	XXX	XXX	XXX	XXX	.47

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2005	.0	.0		0.0	.0	0.0			.0	0.0
2. 2006	.0	.0		0.0	.0	0.0			.0	0.0
3. 2007	.0	.26	.1	3.8	.27	0.0			.27	0.0
4. 2008	.83	.33	.1	3.0	.34	41.0			.34	41.0
5. 2009	110	36	1	2.8	37	33.6	11		48	43.6

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	(3)	(3)	(3)	.0	.0
2. 2005	43	43	43	43	43
3. 2006	XXX	26	26	26	26
4. 2007	XXX	XXX	53	56	56
5. 2008	XXX	XXX	XXX	46	56
6. 2009	XXX	XXX	XXX	XXX	79

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	(3)	(3)	(3)	.0	.0
2. 2005	43	43	43	43	43
3. 2006	XXX	26	26	26	26
4. 2007	XXX	XXX	28	60	56
5. 2008	XXX	XXX	XXX	53	56
6. 2009	XXX	XXX	XXX	XXX	91

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2005	.0	43	.1	2.3	44	0.0	.0	.0	44	0.0
2. 2006	.0	26	.1	3.8	27	0.0	.0	.0	27	0.0
3. 2007	.71	56	.2	3.6	58	81.7	.0	.0	58	81.7
4. 2008	137	56	.2	3.6	58	42.3	.0	.0	58	42.3
5. 2009	163	79	.2	2.5	81	49.7	12	0	93	57.1

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	2,167			2,167					
2. Additional policy reserves (a) .....	.0								
3. Reserve for future contingent benefits .....	.0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income .....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross)	2,167	.0	.0	2,167	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	2,167	0	0	2,167	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (Gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....	.0								
0502. ....	.0								
0503. ....	.0								
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101. ....	.0								
1102. ....	.0								
1103. ....	.0								
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Dental Providers of Arkansas, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administration Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building).....	19	106	1,470	1	1,596
2. Salaries, wages and other benefits.....	195	1,070	14,878	9	16,152
3. Commissions (less \$ ceded plus \$ assumed.....)			4,538		4,538
4. Legal fees and expenses.....				0	0
5. Certifications and accreditation fees.....				0	0
6. Auditing, actuarial and other consulting services.....					0
7. Traveling expenses.....					0
8. Marketing and advertising.....					0
9. Postage, express and telephone.....	20	107	1,493	1	1,621
10. Printing and office supplies.....					0
11. Occupancy, depreciation and amortization.....	3	17	247		267
12. Equipment.....					0
13. Cost or depreciation of EDP equipment and software.....	34	186	2,582	2	2,804
14. Outsourced services including EDP, claims, and other services.....	60	328	4,566	3	4,957
15. Boards, bureaus and association fees.....					0
16. Insurance, except on real estate.....	0	0	58	0	58
17. Collection and bank service charges.....					0
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			1,818		1,818
23.2 State premium taxes.....			3,615		3,615
23.3 Regulatory authority licenses and fees.....			1,627		1,627
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....			309		309
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	331	1,814	37,201	16 ^(a)	39,362
27. Less expenses unpaid December 31, current year.....		265	3,808		4,073
28. Add expenses unpaid December 31, prior year.....	0	190	1,654	0	1,844
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	331	1,739	35,047	16	37,133
DETAIL OF WRITE-INS					
2501.					0
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 + 2598) (Line 25 above)	0	0	0	0	0

(a) Includes management fees of \$27,368 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 3,392	2,019
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 4	4
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	826	826
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 457	457
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	4,679	3,306
11. Investment expenses		(g) 16
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		16
17. Net investment income (Line 10 minus Line 16)		3,290
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

- (a) Includes \$ 76 accrual of discount less \$ amortization of premium and less \$ 157 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 9 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ 16 investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds			0		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)			0		
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans			0		
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments			0		
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	0	0	0	0	0
NONE					
DETAILS OF WRITE-INS					
0901.			0		
0902.			0		
0903.			0		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	.0	.0	.0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.0	.0	.0
2.2 Common stocks .....	.0	.0	.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.0	.0	.0
3.2 Other than first liens .....	.0	.0	.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	.0	.0	.0
4.2 Properties held for the production of income.....	.0	.0	.0
4.3 Properties held for sale .....	.0	.0	.0
5. Cash, (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	.0	.0	.0
6. Contract loans .....	.0	.0	.0
7. Other invested assets (Schedule BA) .....	.0	.0	.0
8. Receivables for securities .....	.0	.0	.0
9. Aggregate write-ins for invested assets .....	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	.0	.0	.0
11. Title plants (for Title insurers only).....	.0	.0	.0
12. Investment income due and accrued .....	.0	.0	.0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	1,803	1,139	(664)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	.0	.0	.0
13.3 Accrued retrospective premiums .....	.0	.0	.0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers .....	.0	.0	.0
14.2 Funds held by or deposited with reinsured companies .....	.0	.0	.0
14.3 Other amounts receivable under reinsurance contracts .....	.0	.0	.0
15. Amounts receivable relating to uninsured plans .....	.0	.0	.0
16.1 Current federal and foreign income tax recoverable and interest thereon .....	.0	.0	.0
16.2 Net deferred tax asset.....	459	573	114
17. Guaranty funds receivable or on deposit .....	.0	.0	.0
18. Electronic data processing equipment and software .....	.0	.0	.0
19. Furniture and equipment, including health care delivery assets .....	.0	.0	.0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....	.0	.0	.0
21. Receivables from parent, subsidiaries and affiliates .....	.0	.0	.0
22. Health care and other amounts receivable.....	.0	.0	.0
23. Aggregate write-ins for other than invested assets .....	.0	.0	.0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	2,262	1,712	(550)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	2,262	1,712	(550)
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.0	.0	.0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0
2301.			
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page .....	.0	.0	.0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	.0					
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	414	568	813	797	793	9,480
7. Total	414	568	813	797	793	9,480
DETAILS OF WRITE-INS						
0601. Dental.....	414	568	813	797	793	9,480
0602. ....	.0					
0603. ....	.0					
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	414	568	813	797	793	9,480

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 Office of Insurance.

The Arkansas Office of Insurance 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 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Arkansas. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. No deviations exist.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Arkansas is shown below:

	State of Domicile		2009		2008
1. Net Income, Arkansas basis	AR	\$	21,815	\$	40,422
2. State Prescribed Practices (Income):	AR		-		-
3. State Permitted Practices (Income):	AR		-		-
4. Net Income, NAIC SAP	AR	\$	21,815	\$	40,422
5. Statutory Surplus, Arkansas basis	AR	\$	347,595	\$	325,874
6. State Prescribed Practices (Surplus):	AR		-		-
7. State Permitted Practices (Surplus):	AR		-		-
8. Statutory Surplus, NAIC SAP	AR	\$	347,595	\$	325,874

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. These estimates are based on knowledge of current events and anticipated future events, and accordingly, actual results could differ from those estimates.

C. Accounting Policy

Short-term investments include investments mainly in U.S. Government obligations with a maturity of twelve months or less from the date of purchase. Short-term investments are recorded at amortized cost. The carrying value of short-term investments approximates fair value due to the short-term maturities of the investments.

Investments are valued and classified in accordance with methods prescribed by the NAIC. Bonds with an NAIC rating of 1 or 2 are carried at amortized cost, with all other bonds being recorded at the lower of amortized cost or fair value.

The Company regularly evaluates investment securities for impairment. For all securities other than loan-backed and structured securities, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value, the near term prospects for recovery to carrying value, and the Company's intent and ability to hold the investment until maturity or market recovery is realized. If and when a determination is made that a decline in fair value below the cost basis is other-than-temporary, the related investment is written down to its estimated fair value through earnings.

For loan backed and structured securities where the securities fair value is less than the amortized cost, the Company considers several factors to determine if the security's impairment is other-than-temporary. If the Company has the intent to sell the security or if the Company does not have the intent and ability to retain the security until recovery of its fair value, the related investment is written down to its estimated fair value through earnings. If, however, the Company has the intent and ability to retain the security until recovery of its fair value, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value and the near term prospects for recovery to carrying value. If the determination is made, based on these factors, that the Company does expect to recover the entire amortized cost of the security, then an other-than-temporary impairment has not occurred. If, however, the determination is made that the Company does not expect to recover the entire amortized cost of the security based on the factors noted above, the Company recognizes a realized loss in earnings for the non-interest related decline. No loss is recognized for the interest impairment.

Amortization of bond premium or discount is computed using the scientific interest method.

Income from investments is recorded on an accrual basis. For the purpose of determining realized gains and losses, the cost of securities sold is based upon specific identification. Investment income due and accrued over 90 days past due is nonadmitted.

The Company recognizes an asset or liability for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. The temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled.

Premiums are reported as earned in the period in which members are entitled to receive services, and are net of retroactive membership adjustments. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by an employer group or the government. Premiums received prior to such period are recorded as advance premiums.

Benefits incurred and loss adjustment expenses include claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, legal and administrative costs to settle claims, and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care provided prior to the date of the statements of admitted assets, liabilities and surplus. Capitation payments represent monthly contractual fees disbursed to participating primary care physicians, and other providers who are responsible for providing medical care to members. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers.

NOTES TO FINANCIAL STATEMENTS

The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.

The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.

Management believes the Company's benefits payable and loss adjustment expense are adequate to cover future claims and loss adjustment expense payments required, however, such estimates are based on knowledge of current events and anticipated future events and, therefore, the actual liability could differ from the amounts provided.

2. Accounting Changes and Corrections of Errors

Not Applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable.

B. Statutory Merger

Not Applicable.

C. Assumption Reinsurance

Not Applicable.

D. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not Applicable.

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

The Company does not have any investments in an other-than-temporary impairment position at year-end.

The Company does not have any loan-backed securities in an unrealized loss position at year-end.

E. Repurchase Agreements

Not Applicable.

F. Real Estate

Not Applicable.

G. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10.0 percent of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following basis:

NOTES TO FINANCIAL STATEMENTS

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loan default.

B. The total amount excluded was \$0.

8. Derivative Instruments

Not Applicable.

9. Income Taxes

The components of the net admitted deferred tax asset in the Company's statements of Assets, Liabilities, and Surplus by tax character are as follows:

	Ordinary Taxes	Capital Taxes	December 31, 2009	December 31, 2008
Total of gross deferred tax assets	\$ 4,748	\$ -	\$ 4,748	\$ 4,449
Total of deferred tax liabilities	30	-	30	184
Net deferred tax	<u>4,718</u>	<u>-</u>	<u>4,718</u>	<u>4,265</u>
Deferred tax asset nonadmitted	459	-	459	573
Net admitted deferred tax	<u>\$ 4,259</u>	<u>\$ -</u>	<u>\$ 4,259</u>	<u>\$ 3,692</u>
(Increase) Decrease in nonadmitted asset			\$ (114)	

The provisions for incurred taxes on earnings for the years ended December 31 are:

	December 31, 2009	December 31, 2008
Federal payable (receivable)	\$ 12,088	\$ 26,933

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

	December 31, 2009	December 31, 2008
Deferred tax assets:		
Benefits payable	\$ 3,719	\$ 3,467
Intangible amortization	524	756
Advance premium	269	129
Loss Adjustment Expense	-	97
Other	<u>236</u>	<u>-</u>
Total deferred tax assets	\$ 4,748	\$ 4,449
Nonadmitted deferred tax assets	459	573
Admitted deferred tax assets	<u>\$ 4,289</u>	<u>\$ 3,876</u>
Deferred tax liabilities:		
Other	\$ 29	\$ 184
Total deferred tax liabilities	\$ 29	\$ 184
Net admitted deferred tax asset	<u>\$ 4,260</u>	<u>\$ 3,692</u>

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the annual statement):

	Ordinary Taxes	Capital Taxes	December 31, 2009	December 31, 2008	Change
Total deferred tax assets	\$ 4,748	\$ -	\$ 4,748	\$ 4,449	\$ 299
Total deferred tax liabilities	30	-	30	184	(155)
Net deferred tax asset (liability)	<u>\$ 4,718</u>	<u>\$ -</u>	<u>\$ 4,718</u>	<u>\$ 4,265</u>	<u>\$ 454</u>

The Company has not elected to admit deferred tax assets pursuant to SSAP 10(R). The current period election does not differ from the prior reporting period.

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	December 31, 2009	Effective Tax Rate
Provision computed at statutory rate	\$ 11,866	35.00%
Capital Gains Tax	1	00.00%
Prior year correction entry	1	00.00%
Nonadmitted asset deferred tax rate change	(233)	(00.69%)
Total	<u>\$ 11,635</u>	<u>34.31%</u>
Federal taxes incurred 2009 only	\$ 12,011	35.43%
Federal taxes incurred correction 2008	77	(01.34%)
Change in net deferred income taxes	(454)	00.23%
Other	1	00.00%
Total statutory income taxes	<u>\$ 11,635</u>	<u>34.32%</u>

The Company has no net capital loss carryforwards.

The Company is included in a consolidated federal income tax return with its parent company, Humana Inc. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to be paid for any future net losses it may incur. The Company has no contingent income tax liabilities. The Company has not adjusted gross deferred tax assets due to changes in judgment about the realizability of the related deferred tax asset. The Company has no deposits under Section 6603 of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS

CORPORATE NAME AND EMPLOYER IDENTIFICATION NUMBER
 THE ADDRESS OF EACH COMPANY IS: P. O. BOX 740026, LOUISVILLE, KY 40201

CORP NO.	CORPORATION NAME	EMPLOYER IDENTIFICATION NUMBER
1	HUMANA INC.	61-0647538
2	516-526 WEST MAIN STREET CONDOMINIUM COUNCIL OF CO-OWNERS, INC.	20-5309363
3	AMERICAN DENTAL PLAN OF NORTH CAROLINA, INC.	56-1796975
4	AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.	58-2302163
5	CAC-FLORIDA MEDICAL CENTERS, LLC	26-0010657
6	CARENETWORK, INC.	39-1514846
7	CAREPLUS HEALTH PLANS, INC.	59-2598550
8	CARITEN HEALTH PLAN, INC.	62-1579044
9	CARITEN INSURANCE COMPANY	62-0729865
10	CHA HMO, INC.	61-1279717
11	CHA SERVICE COMPANY, INC.	61-1279716
12	COMPBENEFITS COMPANY	59-2531815
13	COMPBENEFITS CORPORATION	04-3185995
14	COMPBENEFITS DENTAL, INC.	36-3686002
15	COMPBENEFITS DIRECT, INC.	58-2228851
16	COMPBENEFITS INSURANCE COMPANY	74-2552026
17	COMPBENEFITS OF ALABAMA, INC.	63-1063101
18	COMPBENEFITS OF GEORGIA, INC.	58-2198538
19	CORPHEALTH PROVIDER LINK, INC.	20-8236655
20	CORPHEALTH, INC.	75-2043865
21	CPHP HOLDINGS, INC.	30-0117876
22	DEFENSEWEB TECHNOLOGIES, INC.	33-0916248
23	DENTAL CARE PLUS MANAGEMENT, CORP.	36-3512545
24	DENTICARE, INC.	76-0039628
25	EMPHEYSYS INSURANCE COMPANY	31-0935772
26	EMPHEYSYS, INC.	61-1237697
27	HEALTH VALUE MANAGEMENT, INC.	61-1223418
28	HUMANA ACTIVE OUTLOOK, INC.	20-4835394
29	HUMANA ADVANTAGECARE PLAN, INC.	65-1137990
30	HUMANA BENEFIT PLAN OF ILLINOIS, INC.	37-1326199
31	HUMANA EMPLOYERS HEALTH PLAN OF GEORGIA, INC.	58-2209549
32	HUMANA GOVERNMENT NETWORK SERVICES, INC. (fka HUMANA MILITARY PHARMACY SERVICES, INC.)	20-1717441
33	HUMANA HEALTH BENEFIT PLAN OF LOUISIANA, INC.	72-1279235
34	HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC.	61-1041514
35	HUMANA HEALTH PLAN INTERESTS, INC.	71-0732385
36	HUMANA HEALTH PLAN OF CALIFORNIA, INC.	26-3473328
37	HUMANA HEALTH PLAN OF OHIO, INC.	31-1154200
38	HUMANA HEALTH PLAN OF TEXAS, INC.	61-0994632
39	HUMANA HEALTH PLAN, INC.	61-1013183
40	HUMANA INNOVATION ENTERPRISES, INC.	61-1343791
41	HUMANA INSURANCE COMPANY	39-1263473
42	HUMANA INSURANCE COMPANY OF KENTUCKY	61-1311685
43	HUMANA INSURANCE COMPANY OF NEW YORK	20-2888723
44	HUMANA MARKETPOINT, INC.	61-1343508
45	HUMANA MEDICAL PLAN OF UTAH, INC.	20-8411422
46	HUMANA MEDICAL PLAN, INC.	61-1103898
47	HUMANA MILITARY DENTAL SERVICES, INC.	27-1323221
48	HUMANA MILITARY HEALTHCARE SERVICES, INC.	61-1241225
49	HUMANA PHARMACY, INC.	61-1316926
50	HUMANA VETERANS HEALTHCARE SERVICES, INC.	20-8418853
51	HUMANA WISCONSIN HEALTH ORGANIZATION INSURANCE CO.	39-1525003
52	HUMANA/COMPBENEFITS, INC.	59-1843760
53	HUMANACARES, INC.	65-0274594
54	HUMANADENTAL INSURANCE COMPANY	39-0714280
55	HUMANADENTAL, INC.	61-1364005
56	HUMCO, INC.	61-1239538
57	HUM-e-FL, INC.	61-1383567
58	HUM-HOLDINGS INTERNATIONAL, INC.	26-3583438
59	INFOCUS TECHNOLOGY, INC.	42-1575099
60	KMG AMERICA CORPORATION	20-1377270

NOTES TO FINANCIAL STATEMENTS

61	MANAGED CARE INDEMNITY, INC.	61-1232669	
62	PHP COMPANIES, INC.	62-1552091	
63	PREFERRED HEALTH PARTNERSHIP OF TENNESSEE, INC.	62-1546662	
64	PREFERRED HEALTH PARTNERSHIP, INC.	62-1250945	
65	PRESERVATION ON MAIN, INC.	20-1724127	
66	SENSEI, INC.	20-3355580	
67	TEXAS DENTAL PLANS, INC.	74-2352809	
68	THE DENTAL CONCERN, INC.	52-1157181	
69	THE DENTAL CONCERN, LTD	36-3654697	
70	ULTIMATE OPTICAL, INC.	65-0856480	1

FOOTNOTE:

BLANK = TAX PERIOD 1/1/09 THROUGH 12/31/09 OR DATE OF INCORPORATION THROUGH 12/31/09

1 = TAX PERIOD 1/1/09 THROUGH MERGER DATE OF 12/31/09 (FILED 12/31/09, EFFECTIVE 1/4/10)

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

The Company has a management contract with Humana and other related parties whereby the Company is provided with medical and executive management, information systems, claims processing, billing and enrollment, and telemarketing and other services as required by the Company. Management fees charged to operations for the years ended December 31, 2009 and 2008 were approximately \$27,000 and \$15,000 respectively.

As a part of this agreement, Humana makes cash disbursements on behalf of the Company which includes, but is not limited to, medical related items, general and administrative expenses, commissions and payroll. Humana is reimbursed by the Company weekly, based upon historical pattern of amounts and timing. Each month, these estimates are adjusted to ultimately settle upon actual disbursements made on behalf of the Company. As a result, any residual inter-company balances are immediately settled in the following month. The Company continues to be primarily liable for any outstanding payments made on behalf of the Company, should Humana not be able to fulfill its obligations.

11. Debt

A. Capital Notes

The Company has no capital notes outstanding.

B. All other Debt

The Company has no debentures outstanding.

The Company does not have any reverse repurchase agreements.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

Not Applicable.

B. Defined Contribution Plan

Not Applicable.

C. Multiemployer Plans

Not Applicable.

D. Consolidated/Holding Company Plans

The Company employees are eligible to participate in the Humana Retirement and Savings Plan ("the Plan"), a defined contribution plan, sponsored by Humana Inc. The Plan maintains two accounts, the Savings Account and the Retirement Account.

Humana Inc.'s total contributions paid to the Savings and Retirement accounts of the Humana Retirement and Savings Plan were \$109.3 million for 2009. As of December 31, 2009 the fair market value of the Humana Retirement and Savings Plan's assets was \$1.3 billion.

E. Post Employment Benefits and Compensated Absences

Not Applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not Applicable.

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

- 1) The company has \$100 par value common stock with 1,000 shares authorized, issued and outstanding.
- 2) The Company has no preferred stock outstanding.
- 3) Dividends are noncumulative and are paid as determined by the Board of Directors. Dividends are subject to the approval of the Department of Insurance if such dividend distribution which, together with other dividends or distributions made within the preceding twelve months, exceeds the lesser of (a) ten percent of the company's policyholders surplus as of December 31 of the prior year, or (b) the net income for the twelve month period ending December 31 of the prior year.

NOTES TO FINANCIAL STATEMENTS

- 4) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 6) Not Applicable.
- 7) Not Applicable.
- 8) Not Applicable.
- 9) Not Applicable.
- 10) Not Applicable.
- 11) Not Applicable.
- 12) Not Applicable.

14. Contingencies

A. Contingent Commitments

Not Applicable.

B. Assessments

Not Applicable.

C. Gain Contingencies

Not Applicable.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Not Applicable.

E. All Other Contingencies

During the ordinary course of business, the Company is subject to pending and threatened legal actions. Management of the Plan does not believe that any of these actions will have a material adverse effect on the Company's surplus, results of operations or cash flows. However, the likelihood or outcome of current or future legal proceedings cannot be accurately predicted, and they could adversely affect the Company's surplus, results of operations and cash flows.

The Company is aware of no other material contingent liabilities as of December 31, 2009.

15. Leases

A. Lessee Operating Lease

Not Applicable.

B. Other Leases

Not Applicable.

16. Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentration of Credit Risk

- 1) The Company has no investment in Financial Instruments with Off Balance Sheet Risk.
- 2) The Company has no investment in Financial Instruments with Concentration Credit Risk.

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

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

C. Wash Sales

Not Applicable.

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

A. ASO Plans.

Not Applicable

B. ASC Plans

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

Not Applicable.

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

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

20. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring

Not Applicable.

C. Other Disclosures

Not Applicable.

D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, Uncollected Premium Balances, Bill Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

Not Applicable.

E. Business Interruption Insurance Recoveries

Not Applicable.

F. State Transferable Tax Credits

Not Applicable.

G. The company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

H. Hybrid Securities

Not Applicable.

I. Subprime Mortgage Related Risk Exposure

The Company consults with its external investment managers to assess its subprime mortgage related risk exposure. Certain characteristics are utilized to determine if a mortgage-backed security has subprime exposure. The main characteristics reviewed when determining this are the collateral and structure of the security, the loan purpose, loan documentation, occupancy, geographical location, loan size and type. Subprime mortgage borrowers typically have lower credit scores, lower loan balances and higher loan-to-values than other conforming loans. Management's practices include reviewing quantitative and qualitative credit models that analyze loan-level collateral composition, historical underwriter performance trends, the impact of macroeconomic factors, and issuer risks; as well as reviewing the estimation of security cash flows and monthly model calibrations.

(1) Direct exposure through investments in sub-prime mortgage loans.

The Company has no direct exposure through investment to sub-prime mortgage loans.

(2) Indirect exposure to sub-prime mortgage risk through investments in the following securities:

- a. Residential mortgage backed securities – No exposure noted.
- b. Collateralized debt obligations – No exposure noted.
- c. Structured Securities (including principal protected notes) – No exposure noted.
- d. Debt Securities of companies with significant sub-prime exposure – No exposure noted.
- e. Equity securities of companies with significant sub-prime exposure – No exposure noted.
- f. Other Assets – No exposure noted.

(3) Underwriting exposure to sub-prime mortgage risk through Mortgage Guaranty coverage, Financial Guaranty coverage, Directors and Officers liability coverage, or Errors and Omissions liability coverage.

Not Applicable.

(4) Classification of mortgage related securities is primarily based on information from outside data services, including rating agency actions. When considering our exposure, the Company evaluated the percentage of full documentation loans, percent of owner occupied properties, FICO scores, average margin for ARM loans, percent of loans with prepayment penalties, the existence of non-traditional underwriting standards, among other factors.

21. Events Subsequent

The Company is not aware of any events or transactions occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition. Subsequent events have been considered through February 22, 2010 for the statutory statement issued on February 22, 2010.

22. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10.0 percent or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

NOTES TO FINANCIAL STATEMENTS

Yes () No (X)

If yes, give full details.

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10.0 percent or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes () No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$0

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$0

B. Uncollectible Reinsurance

Not Applicable.

C. Commutation of Ceded Reinsurance

Not Applicable.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable.

24. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2008 were \$7,200. As of December 31, 2009, \$10,000 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$100 as a result of reestimation of unpaid claims and claim adjustment expenses on the dental line of insurance. Therefore, there has been a \$2,900 unfavorable prior-year development since December 31, 2008. 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. The company has no retrospectively rated policies.

25. Intercompany Pooling Arrangements

Not Applicable.

26. Structured Settlements

Not Applicable.

27. Health Care Receivables

A. Pharmaceutical Rebate Receivables

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

B. Risk Sharing Receivables

Not Applicable.

28. Participating Policies

Not Applicable.

29. Premium Deficiency Reserves

As of December 31, 2009, the Company had no liabilities related to premium deficiency reserves.

30. Anticipated Salvage and Subrogation

Not Applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating?..... Arkansas.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2007
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2007
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).02/24/2009
- 3.4 By what department or departments? Arkansas Department of Insurance.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....
.....

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....
.....

GENERAL INTERROGATORIES

- 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 response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), 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 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?.....
PricewaterhouseCoopers LLC, 500 West Main, Suite 1800, Louisville, Kentucky 40202-4283.....
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?.....
Frank Murray Amrine, Actuarial Director and Appointed Actuary, 500 West Main Street, Louisville, KY 40202.....
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... Yes [] No [X]
- 11.11 Name of real estate holding company.....
- 11.12 Number of parcels involved.....
- 11.13 Total book/adjusted carrying value..... \$.....
- 11.2 If yes, provide explanation.....
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States Trustees of the reporting entity?.....
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 13.1 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.
- 13.11 If the response to 13.1 is No, please explain:.....
- 13.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).....
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).....

BOARD OF DIRECTORS

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

GENERAL INTERROGATORIES

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g. Generally Accepted Accounting Principles)? Yes [] No [X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers \$.....
 - 18.12 To stockholders not officers \$.....
 - 18.13 Trustees, supreme or grand (Fraternal only) \$.....
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers \$.....
 - 18.22 To stockholders not officers \$.....
 - 18.23 Trustees, supreme or grand (Fraternal only) \$.....
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others \$.....
 - 19.22 Borrowed from others \$.....
 - 19.23 Leased from others \$.....
 - 19.24 Other \$.....
- 20.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment \$.....
 - 20.22 Amount paid as expenses \$.....
 - 20.23 Other amounts paid \$.....
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes [X] No []
- 22.2 If no, give full and complete information, relating thereto.....
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided).....
- 22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No [] N/A []
- 22.5 If answer to 22.4 is yes, report amount of collateral. \$.....
- 22.6 If answer to 22.4 is no, report amount of collateral. \$.....
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3) Yes [X] No []
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements \$.....
 - 23.22 Subject to reverse repurchase agreements \$.....
 - 23.23 Subject to dollar repurchase agreements \$.....
 - 23.24 Subject to reverse dollar repurchase agreements \$.....
 - 23.25 Pledged as collateral \$.....
 - 23.26 Placed under option agreements \$.....
 - 23.27 Letter stock or securities restricted as to sale \$.....
 - 23.28 On deposit with state or other regulatory body \$.....103,007
 - 23.29 Other \$.....
- 23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes [] No [] N/A []
- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 25.2 If yes, state the amount thereof at December 31 of the current year. \$.....

GENERAL INTERROGATORIES

26. 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 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes No

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase.....	4 New York Plaza, 15th Floor, New York, NY. 10004-2413 Attn: Herb Spaulding.....

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

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

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?

Yes No

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
107105.....	Blackrock, Inc.....	40 East 52nd Street, New York, NY 10022.....

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes No

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 TOTAL		0

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

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

GENERAL INTERROGATORIES

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds.....	130,087	128,455	(1,632)
28.2 Preferred stocks.....	0	0	0
28.3 Totals	130,087	128,455	(1,632)

28.4 Describe the sources or methods utilized in determining the fair values:.....

29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:..

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

30.2 If no, list exceptions:.....

OTHER

31.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$

31.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

32.1 Amount of payments for legal expenses, if any? \$

32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U. S. business only \$0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives0
- All years prior to most current three years:
- 1.64 Total premium earned \$0
- 1.65 Total incurred claims \$0
- 1.66 Number of covered lives0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives0
- All years prior to most current three years:
- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives0

2. Health Test:

	1		2
	Current Year		Prior Year
2.1 Premium Numerator	\$162,540		\$136,499
2.2 Premium Denominator	\$162,540		\$136,499
2.3 Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4 Reserve Numerator	\$14,189		\$2,290
2.5 Reserve Denominator	\$14,189		\$9,264
2.6 Reserve Ratio (2.4/2.5)	.....1.000		.....0.247

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, and if the earnings of the reporting entity permits? Yes [] No [X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]
- 5.2 If no, explain:
HMO stop-loss is not required for Prepaid Dental Plan
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$
- 5.32 Medical Only \$
- 5.33 Medicare Supplement \$
- 5.34 Dental and Vision \$
- 5.35 Other Limited Benefit Plan \$
- 5.36 Other \$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Provider contracts include hold harmless and continuation of benefits provisions. HMO has an indemnity agreement with the parent company.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service data base? Yes [] No [X]
- 7.2 If no, give details:
8. Provide the following Information regarding participating providers:
- 8.1 Number of providers at start of reporting year
- 8.2 Number of providers at end of reporting year
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months
- 9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract? Yes [] No [X]

10.2 If yes:

10.21 Maximum amount payable bonuses \$.....

10.22 Amount actually paid for year bonuses \$.....

10.23 Maximum amount payable withholds \$.....

10.24 Amount actually paid for year withholds \$.....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [] No []

11.13 An Individual Practice Association (IPA), or, Yes [] No []

11.14 A Mixed Model (combination of above) ? Yes [] No []

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [] No []

11.3 If yes, show the name of the state requiring such net worth. ARKANSAS.....

11.4 If yes, show the amount required. \$.....100,000

11.5 Is this amount included as part of a contingency reserve in stockholders equity? Yes [] No [X]

11.6 If the amount is calculated, show the calculation.

12.1 List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
.....
.....
.....
.....
.....

13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....

13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

FIVE - YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	435,527	375,722	339,516	301,284	268,059
2. Total liabilities (Page 3, Line 22)	87,932	49,848	58,532	7,352	11,255
3. Statutory surplus	100,000	100,000	100,000	100,000	100,000
4. Total capital and surplus (Page 3, Line 31)	347,595	325,874	280,984	293,932	256,804
Income Statement (Page 4)					
5. Total revenues (Line 8)	162,662	135,901	134,849	98,044	146,409
6. Total medical and hospital expenses (Line 18)	94,108	50,886	58,405	25,783	42,504
7. Claims adjustment expenses (Line 20)	2,145	1,384	2,098	0	0
8. Total administrative expenses (Line 21)	37,201	26,364	58,927	29,471	31,564
9. Net underwriting gain (loss) (Line 24)	29,208	57,267	15,419	42,790	72,341
10. Net investment gain (loss) (Line 27)	3,290	8,263	10,507	10,692	6,249
11. Total other income (Lines 28 plus 29)	1,405	1,825	2,362	3,328	5,426
12. Net income (loss) (Line 32)	21,815	40,422	19,566	37,371	54,452
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	26,625	41,222	18,081	34,345	45,344
Risk-Based Capital Analysis					
14. Total adjusted capital	347,595	325,874	280,984	293,932	256,804
15. Authorized control level risk-based capital	26,028	28,314	25,324	25,026	25,032
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	793	414	729	746	1,052
17. Total member months (Column 6, Line 7)	9,480	7,862	9,531	10,235	16,036
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus 19)	57.9	37.4	43.3	26.3	29.0
20. Cost containment expenses	0.2	0.1	0.3	0.0	0.0
21. Other claims adjustment expenses	1.1	0.9	1.3	0.0	0.0
22. Total underwriting deductions (Line 23)	82.0	57.9	88.6	56.4	50.6
23. Total underwriting gain (loss) (Line 24)	18.0	42.1	11.4	43.6	49.4
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	9,868	3,304	100	256	426
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	6,973	5,362	235	493	749
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

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

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

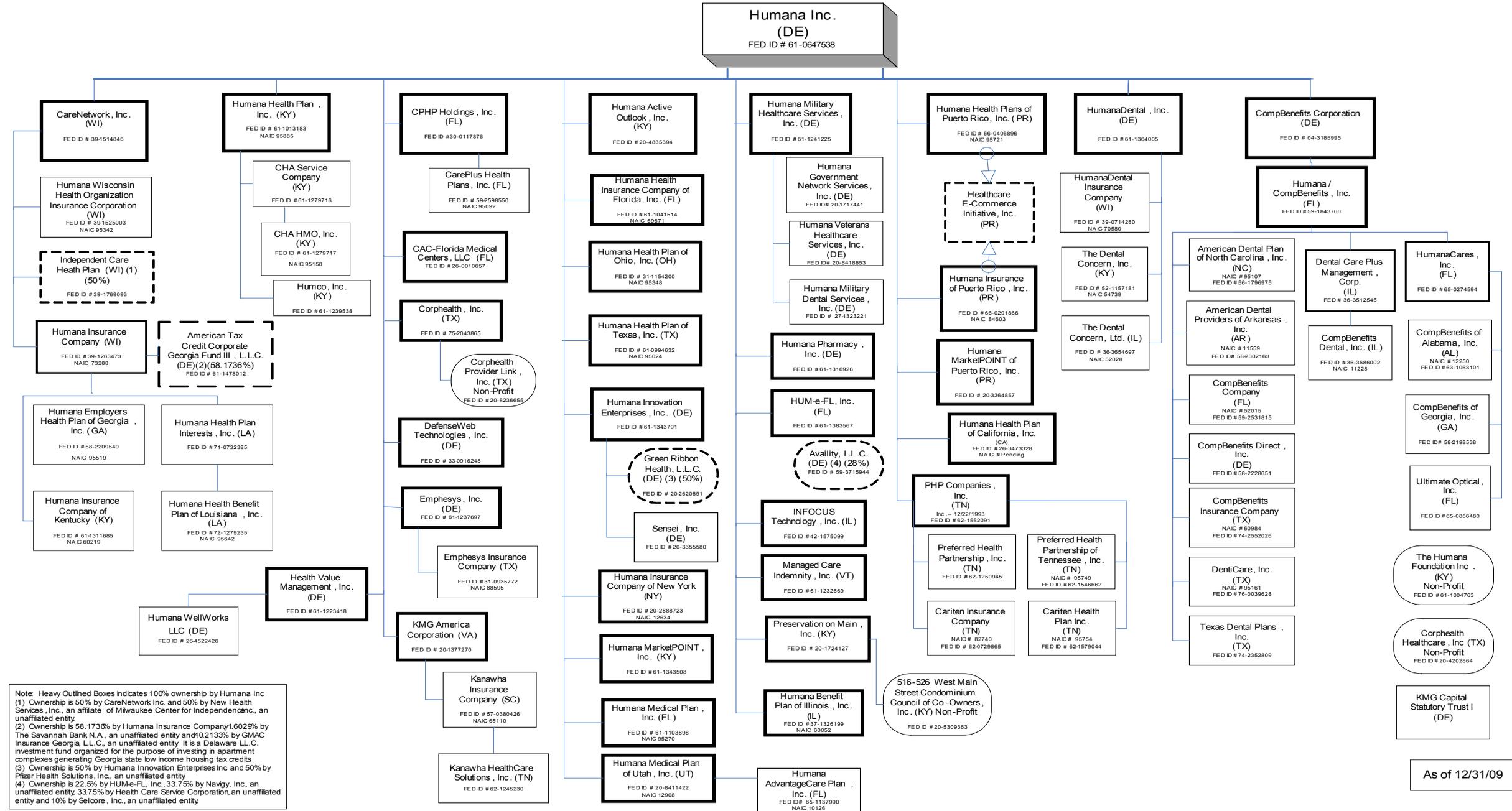
State, Etc.	1 Active Status	Direct Business Only							8 Total Columns 2 Through 7	9 Deposit-Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums			
1. Alabama	AL	N							.0	.0
2. Alaska	AK	N							.0	.0
3. Arizona	AZ	N							.0	.0
4. Arkansas	AR	L	52,552			109,988			162,540	.0
5. California	CA	N							.0	.0
6. Colorado	CO	N							.0	.0
7. Connecticut	CT	N							.0	.0
8. Delaware	DE	N							.0	.0
9. District of Columbia	DC	N							.0	.0
10. Florida	FL	N							.0	.0
11. Georgia	GA	N							.0	.0
12. Hawaii	HI	N							.0	.0
13. Idaho	ID	N							.0	.0
14. Illinois	IL	N							.0	.0
15. Indiana	IN	N							.0	.0
16. Iowa	IA	N							.0	.0
17. Kansas	KS	N							.0	.0
18. Kentucky	KY	N							.0	.0
19. Louisiana	LA	N							.0	.0
20. Maine	ME	N							.0	.0
21. Maryland	MD	N							.0	.0
22. Massachusetts	MA	N							.0	.0
23. Michigan	MI	N							.0	.0
24. Minnesota	MN	N							.0	.0
25. Mississippi	MS	N							.0	.0
26. Missouri	MO	N							.0	.0
27. Montana	MT	N							.0	.0
28. Nebraska	NE	N							.0	.0
29. Nevada	NV	N							.0	.0
30. New Hampshire	NH	N							.0	.0
31. New Jersey	NJ	N							.0	.0
32. New Mexico	NM	N							.0	.0
33. New York	NY	N							.0	.0
34. North Carolina	NC	N							.0	.0
35. North Dakota	ND	N							.0	.0
36. Ohio	OH	N							.0	.0
37. Oklahoma	OK	N							.0	.0
38. Oregon	OR	N							.0	.0
39. Pennsylvania	PA	N							.0	.0
40. Rhode Island	RI	N							.0	.0
41. South Carolina	SC	N							.0	.0
42. South Dakota	SD	N							.0	.0
43. Tennessee	TN	N							.0	.0
44. Texas	TX	N							.0	.0
45. Utah	UT	N							.0	.0
46. Vermont	VT	N							.0	.0
47. Virginia	VA	N							.0	.0
48. Washington	WA	N							.0	.0
49. West Virginia	WV	N							.0	.0
50. Wisconsin	WI	N							.0	.0
51. Wyoming	WY	N							.0	.0
52. American Samoa	AS	N							.0	.0
53. Guam	GU	N							.0	.0
54. Puerto Rico	PR	N							.0	.0
55. U.S. Virgin Islands	VI	N							.0	.0
56. Northern Mariana Islands	MP	N							.0	.0
57. Canada	CN	N							.0	.0
58. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Subtotal	XXX		52,552	.0	.0	109,988	.0	.0	162,540	.0
60. Reporting entity contributions for Employee Benefit Plans	XXX								.0	
61. Total (Direct Business)	(a) 1		52,552	0	0	109,988	0	0	162,540	0
DETAILS OF WRITE-INS										
5801.	XXX								.0	
5802.	XXX								.0	
5803.	XXX								.0	
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		.0	.0	.0	.0	.0	.0	.0	
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0	0	

Explanation of basis of allocation by states, premiums by state, etc.: The Company allocates group premium to the states by group and provider location.

(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



Note: Heavy Outlined Boxes indicates 100% ownership by Humana Inc
 (1) Ownership is 50% by CareNetwork Inc. and 50% by New Health Services, Inc., an affiliate of Milwaukee Center for Independence, an unaffiliated entity
 (2) Ownership is 58.1736% by Humana Insurance Company, 1.6029% by The Savannah Bank N.A., an unaffiliated entity and 0.2133% by GMAC Insurance Georgia, L.L.C., an unaffiliated entity. It is a Delaware L.L.C. investment fund organized for the purpose of investing in apartment complexes generating Georgia state low income housing tax credits
 (3) Ownership is 50% by Humana Innovation Enterprises Inc and 50% by Pfizer Health Solutions, Inc., an unaffiliated entity
 (4) Ownership is 22.5% by HUM-e-FL, Inc., 33.7% by Navgy, Inc., an unaffiliated entity, 33.75% by Health Care Service Corporation, an unaffiliated entity and 10% by Sellcore, Inc., an unaffiliated entity

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

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