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ANNUAL STATEMENT

For the Year Ended December 31, 2009

of the Condition and Affairs of the

Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company

NAIC Group Code.....876, 876 (Current Period) (Prior Period) NAIC Company Code..... 83470 Employer's ID Number..... 71-0226428

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

Licensed as Business Type.....Life, Accident & Health Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized..... December 10, 1948 Commenced Business..... March 2, 1949

Statutory Home Office	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(Street and Number) (City or Town, State and Zip Code)*	501-378-2000 *(Area Code) (Telephone Number)*
Mail Address	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(Street and Number) (City or Town, State and Zip Code)*	501-378-2000 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.arkansasbluecross.com	
Statutory Statement Contact	Gray Donald Dillard *(Name)*	501-378-2436 *(Area Code) (Telephone Number) (Extension)*
	gddillard@arkbluecross.com *(E-Mail Address)*	501-378-5633 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Paul Mark White #	Chief Executive Officer	2. James Lee Douglass	Secretary
3. Steven James Short #	Treasurer	4. Michael Wayne Brown #	Chief Operating Officer

OTHER

Stephen William Abell
James Robert Bailey #
Michael Wayne Brown
Ronald Walter DeBerry
James Lee Douglass
Calvin Eugene Kellogg
Karen Cox Raley
Joseph Steven Smith
Toni Lairry Starks #
James Sterling Adamson Jr., MD
David Frank Bridges
Richard Shelby Cooper
Gray Donald Dillard #
James Robert Heard III
Samuel Patterson Partin III
Steven James Short
Steven Aaron Spaulding

DIRECTORS OR TRUSTEES

Carolyn Frazier Blakely PhD
Bradley Dean Jesson
Hayes Candour McClerkin
Ben Edwin Owens
Paul Mark White #
Susan Glover Brittain
James Virgil Kelley
George Key Mitchell MD
Robert Lee Shoptaw
James Leslie Wyatt PhD
Robert Vincent Brothers
Mahlon Ogden Maris MD
Robert Daniel Nabholz
Patty Fulbright Smith
Mark William Greenway
James Thomas May
Marla Johnson Norris
Sherman Ellis Tate

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

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

(Signature)	(Signature)	(Signature)
Paul Mark White	James Lee Douglass	Steven James Short
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
Chief Executive Officer	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This _____ day of _____ 2010

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

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
0299998. Premiums due and unpaid not individually listed	71,975,690	140,754	17,027	226,787	226,787	72,133,471
0299999. Total group	71,975,690	140,754	17,027	226,787	226,787	72,133,471
0599999. Accident and health premiums due and unpaid (Page 2, Line 13)	71,975,690	140,754	17,027	226,787	226,787	72,133,471

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
0199998. Pharmaceutical Rebate Receivables Not Listed Individually	1,799,814	1,495,899	1,495,899	4,653,552	4,653,552	4,791,612
0199999. Total Pharmaceutical Rebate Receivables	1,799,814	1,495,899	1,495,899	4,653,552	4,653,552	4,791,612
0799999. Total Health Care Receivables	1,799,814	1,495,899	1,495,899	4,653,552	4,653,552	4,791,612

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0399999. Aggregate accounts not individually listed - covered	10,159,209	5,338	1,513	2,246	3,601	10,171,907
0499999. Subtotals	10,159,209	5,338	1,513	2,246	3,601	10,171,907
0599999. Unreported claim and other claim reserves						107,712,732
0799999. Total claims unpaid						117,884,639
0899999. Accrued medical incentive pool and bonus amounts						46,987

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
HMO Partners, Inc.	6,117,955					6,117,955	
Pinnacle Business Solutions, Inc.	8,488,090	5,517,631	5,195,071			8,488,090	10,712,702
USAble Corporation	10,224,301					10,224,301	
0199999. Individually listed receivables	24,830,346	5,517,631	5,195,071	0	0	24,830,346	10,712,702
0299999. Receivables not individually listed	5,229	4,248	171,510			5,229	175,758
0399999. Total gross amounts receivable	24,835,575	5,521,879	5,366,581	0	0	24,835,575	10,888,460

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
USAble Corporation	Intercompany	178,329	178,329	
USAble Life	Intercompany	300,909	300,909	
Southwest Joint Venture	Intercompany	250,078	250,078	
0199999. Individually listed payables		729,315	729,315	0
0299999. Payables not individually listed		5,513	5,513	
0399999. Total gross payables		734,828	734,828	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.0				
2. Intermediaries	0	0.0				
3. All other providers	0	0.0				
4. Total capitation payments	0	0.0	0		0	0
Other Payments:						
5. Fee-for-service	0	0.0	XXX	XXX		
6. Contractual fee payments	891,025,057	100.0	XXX	XXX	625,976,635	265,048,422
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	891,025,057	100.0	XXX	XXX	625,976,635	265,048,422
13. Total (Line 4 plus Line 12)	891,025,057	100.0	XXX	XXX	625,976,635	265,048,422

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	36,312,369		25,305,016	11,007,353	11,007,353	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment						0
6. Total	36,312,369	0	25,305,016	11,007,353	11,007,353	0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company 2. Little Rock, AR

BUSINESS IN THE STATE OF ARKANSAS DURING THE YEAR (Location)

NAIC Group Code.....876

NAIC Company Code.....83470

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	416,197	91,220	132,797	104,792	4,981	15,055	56,809	1,124		9,419
2. First quarter	425,481	90,889	134,102	103,972	5,796	15,134	56,024	4,783		14,781
3. Second quarter	412,596	92,508	118,650	103,480	5,843	15,285	56,121	5,129		15,580
4. Third quarter	413,477	91,329	119,731	103,615	5,924	15,446	55,961	5,254		16,217
5. Current year	414,618	90,542	120,876	103,681	5,923	15,505	55,928	5,411		16,752
6. Current year member months	4,993,075	1,094,333	1,479,359	1,245,298	70,046	183,522	672,867	60,527		187,123
Total Member Ambulatory Encounters for Year:										
7. Physician	1,302,837	128,831	303,168	557,190		313,648				
8. Non-physician	3,542,458	418,676	1,031,198	2,092,584						
9. Totals	4,845,295	547,507	1,334,366	2,649,774	0	313,648	0	0	0	0
10. Hospital patient days incurred	3,662,403	467,814	1,187,267	2,007,322						
11. Number of inpatient admissions	55,575	3,545	10,399	41,631						
12. Health premiums written (b)	1,081,432,483	226,225,407	366,918,084	197,830,512	564,660	22,559,440	218,118,455	4,172,009		45,043,916
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	1,080,607,554	226,052,840	366,487,287	197,830,513	564,229	22,542,231	217,952,072	4,168,827		45,009,555
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	891,025,057	167,771,295	301,805,507	156,591,981	433,730	17,222,720	203,036,112	2,874,410		41,289,302
18. Amount incurred for provision of health care services	892,671,052	168,295,393	302,748,311	155,762,831	429,333	17,016,605	204,040,627	2,878,278		41,499,674

(a) For health business: number of persons insured under PPO managed care products.....281,392 and number of persons insured under indemnity only products.....133,226.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company 2. Little Rock, AR

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....876

NAIC Company Code.....83470

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	416,197	91,220	132,797	104,792	4,981	15,055	56,809	1,124		9,419
2. First quarter	425,481	90,889	134,102	103,972	5,796	15,134	56,024	4,783		14,781
3. Second quarter	412,596	92,508	118,650	103,480	5,843	15,285	56,121	5,129		15,580
4. Third quarter	413,477	91,329	119,731	103,615	5,924	15,446	55,961	5,254		16,217
5. Current year	414,618	90,542	120,876	103,681	5,923	15,505	55,928	5,411		16,752
6. Current year member months	4,993,075	1,094,333	1,479,359	1,245,298	70,046	183,522	672,867	60,527		187,123
Total Member Ambulatory Encounters for Year:										
7. Physician	1,302,837	128,831	303,168	557,190		313,648				
8. Non-physician	3,542,458	418,676	1,031,198	2,092,584						
9. Totals	4,845,295	547,507	1,334,366	2,649,774	0	313,648	0	0	0	0
10. Hospital patient days incurred	3,662,403	467,814	1,187,267	2,007,322						
11. Number of inpatient admissions	55,575	3,545	10,399	41,631						
12. Health premiums written (b)	1,081,432,483	226,225,407	366,918,084	197,830,512	564,660	22,559,440	218,118,455	4,172,009		45,043,916
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	1,080,607,554	226,052,840	366,487,287	197,830,513	564,229	22,542,231	217,952,072	4,168,827		45,009,555
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	891,025,057	167,771,295	301,805,507	156,591,981	433,730	17,222,720	203,036,112	2,874,410		41,289,302
18. Amount incurred for provision of health care services	892,671,052	168,295,393	302,748,311	155,762,831	429,333	17,016,605	204,040,627	2,878,278		41,499,674

(a) For health business: number of persons insured under PPO managed care products.....281,392 and number of persons insured under indemnity only products.....133,226.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Location	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
Affiliates											
95442	71-0747497	04/01/1996	HMO Partners, Inc.	Little Rock, AR	OTH/A/G	74,546,417			6,358,135		
95442	71-0747497	04/01/1996	HMO Partners, Inc.	Little Rock, AR	ASL/A/G	1,375,022			224,984		
94358	71-0505232	10/01/2002	USAble Life	Little Rock, AR	QA/A/G	14,035,964			1,611,610		
0199999.	Total - Affiliates					89,957,403	0	0	8,194,729	0	0
0399999.	Totals					89,957,403	0	0	8,194,729	0	0

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Paid Losses	7 Unpaid Losses
Accident and Health - Affiliates						
94358	71-0505232	01/01/2007	USAble Life	Little Rock, AR	1,484,324	1,334,000
0499999.	Total - Affiliates				1,484,324	1,334,000
Accident and Health - Non-Affiliates						
77720	75-0956156	10/01/2008	LifeSecure Insurance Company	Brighton, MI	33,022	871,030
0599999.	Total - Non-Affiliates				33,022	871,030
0699999.	Total - Accident and Health				1,517,346	2,205,030
0799999.	Totals - Life, Annuity and Accident and Health				1,517,346	2,205,030

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
Authorized General Account - Affiliates												
94358	71-0505232	01/01/2007	USAble Life	Little Rock, AR	OTH/I	4,354,352		194,000				
94358	71-0505232	01/01/2007	USAble Life	Little Rock, AR	OTH/G	18,194,818		1,037,000				
0199999.	Total - Authorized General Account - Affiliates					22,549,169	0	1,231,000	0	0	0	0
Authorized General Account - Non-Affiliates												
77720	75-0956156	10/01/2008	LifeSecure Insurance Company	Brighton, MI	OTH/I	274,983		575,472				
77720	75-0956156	10/01/2008	LifeSecure Insurance Company	Brighton, MI	OTH/G	266,510		295,555				
0299999.	Total - Authorized General Account - Non-Affiliates					541,494	0	871,027	0	0	0	0
0399999.	Total - Authorized General Account					23,090,663	0	2,102,027	0	0	0	0
0799999.	Total - Authorized and Unauthorized General Account					23,090,663	0	2,102,027	0	0	0	0
1599999.	Totals					23,090,663	0	2,102,027	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total (Cols. 5 + 6 + 7)	9 Letters of Credit	10 Trust Agreements	11 Funds Deposited by and Withheld from Reinsurers	12 Other	13 Miscellaneous Balances (Credit)	14 Sum of Cols. 9 + 10 + 11 + 12 + 13 But Not in Excess of Col. 8

NONE

SCHEDULE S - PART 5

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2009	2 2008	3 2007	4 2006	5 2005
A. OPERATIONS ITEMS					
1. Premiums	23,091	21,242	37,474	35,720	8,824
2. Title XVIII - Medicare					
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses	17,291	16,543	31,043	26,661	6,191
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable	2,102	1,794	1,543	(1,030)	1,272
8. Reinsurance recoverable on paid losses	1,517	2,295	32,426	15,146	7,021
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset			2,114		
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)			2,114		
13. Letters of credit (L)					
14. Trust agreements (T)					
15. Other (O)					

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 10)	740,561,481		740,561,481
2.	Accident and health premiums due and unpaid (Line 13)	72,133,471		72,133,471
3.	Amounts recoverable from reinsurers (Line 14.1)	1,517,346	1,517,346	3,034,692
4.	Net credit for ceded reinsurance	XXX		0
5.	All other admitted assets (balance)	137,661,074	584,681	138,245,755
6.	Totals assets (Line 26)	951,873,372	2,102,027	953,975,399
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	115,782,612	2,102,027	117,884,639
8.	Accrued medical incentive pool and bonus payments (Line 2)	46,987		46,987
9.	Premiums received in advance (Line 8)	13,487,462		13,487,462
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17)			0
11.	Reinsurance in unauthorized companies (Line 18)			0
12.	All other liabilities (balance)	340,051,943		340,051,943
13.	Total liabilities (Line 22)	469,369,004	2,102,027	471,471,031
14.	Total capital and surplus (Line 31)	482,504,370	XXX	482,504,370
15.	Total liabilities, capital and surplus (Line 32)	951,873,374	2,102,027	953,975,401
	NET CREDIT FOR CEDED REINSURANCE			
16.	Claims unpaid	2,102,027		
17.	Accrued medical incentive pool	0		
18.	Premiums received in advance	0		
19.	Reinsurance recoverable on paid losses	(1,517,346)		
20.	Other ceded reinsurance recoverables	0		
21.	Total ceded reinsurance recoverables	584,681		
22.	Premiums receivable	0		
23.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
24.	Unauthorized reinsurance	0		
25.	Other ceded reinsurance payables/offsets	584,681		
26.	Total ceded reinsurance payables/offsets	584,681		
27.	Total net credit for ceded reinsurance	0		

SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		Direct Business Only					
	States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1.	Alabama AL						0
2.	Alaska AK						0
3.	Arizona AZ						0
4.	Arkansas AR						0
5.	California CA						0
6.	Colorado CO						0
7.	Connecticut CT						0
8.	Delaware DE						0
9.	District of Columbia DC						0
10.	Florida FL						0
11.	Georgia GA						0
12.	Hawaii HI						0
13.	Idaho ID						0
14.	Illinois IL						0
15.	Indiana IN						0
16.	Iowa IA						0
17.	Kansas KS						0
18.	Kentucky KY						0
19.	Louisiana LA						0
20.	Maine ME						0
21.	Maryland MD						0
22.	Massachusetts MA						0
23.	Michigan MI						0
24.	Minnesota MN						0
25.	Mississippi MS						0
26.	Missouri MO						0
27.	Montana MT						0
28.	Nebraska NE						0
29.	Nevada NV						0
30.	New Hampshire NH						0
31.	New Jersey NJ						0
32.	New Mexico NM						0
33.	New York NY						0
34.	North Carolina NC						0
35.	North Dakota ND						0
36.	Ohio OH						0
37.	Oklahoma OK						0
38.	Oregon OR						0
39.	Pennsylvania PA						0
40.	Rhode Island RI						0
41.	South Carolina SC						0
42.	South Dakota SD						0
43.	Tennessee TN						0
44.	Texas TX						0
45.	Utah UT						0
46.	Vermont VT						0
47.	Virginia VA						0
48.	Washington WA						0
49.	West Virginia WV						0
50.	Wisconsin WI						0
51.	Wyoming WY						0
52.	American Samoa AS						0
53.	Guam GU						0
54.	Puerto Rico PR						0
55.	US Virgin Islands VI						0
56.	Northern Mariana Islands MP						0
57.	Canada CN						0
58.	Aggregate Other Alien OT						0
59.	Totals	0	0	0	0	0	0

NONE

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
83470	71-0226428	Arkansas Blue Cross and Blue Shield	272,452				206,898,850	5,442,098			212,613,400	(3,889,511)
	71-0525643	Education Benefits, Inc.	(510,000)								(510,000)	
95442	71-0747497	HMO Partners Inc.	(272,452)				(27,497,767)	(5,442,098)			(33,212,317)	6,583,119
	71-0246079	USAble Corporation					(103,666,068)				(103,666,068)	
94358	71-0505232	USAble Life	510,000					28,483,224			28,993,224	(43,181,344)
76031	59-2876465	Florida Combined Life Insurance Company						(20,761,866)			(20,761,866)	24,779,336
	27-0111456	Pinnacle Business Solutions, Inc.					(75,735,015)				(75,735,015)	
53228	04-1045815	Blue Cross and Blue Shield of Massachusetts						(7,721,358)			(7,721,358)	11,132,570
49948	99-0040115	Blue Cross and Blue Shield of Hawaii									0	4,575,830
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

		Responses
	MARCH FILING	
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES

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

	MARCH FILING	
10.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES
11.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
12.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
13.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
14.	Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	SEE EXPLANATION
15.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	SEE EXPLANATION
16.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	YES
	APRIL FILING	
17.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	YES
18.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	NO
19.	Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO

EXPLANATIONS:

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14. This line of business is not written by the company.

15. This line of business is not written by the company.

16.

17.

18.

19.

BAR CODE:

83470200920500000

83470200920700000

83470200942000000

83470200937100000

83470200937000000

83470200921100000

83470200921300000

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2304. National Accounts Receivable	290,995		290,995	
2397. Summary of remaining write-ins for Line 23	290,995	0	290,995	0

Additional Write-ins for Underwriting and Investment Exhibit-Part 3:

	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
2504. Claims Processing Expense		(332,930)			(332,930)
2505. Miscellaneous	8,758	4,129	1,164,345		1,177,232
2597. Summary of remaining write-ins for Line 25	8,758	(328,801)	1,164,345	0	844,302

Overflow Page for Write-Ins

NONE

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2009
(To Be Filed by March 1)
FOR THE STATE OF.....Arkansas

NAIC Group Code.....876
NAIC Company Code.....83470
Address (City, State and Zip Code).....601 Gaines Street, Little Rock, AR 72201
Person Completing This Exhibit.....Tammy Gross
Telephone Number.....501-378-5644
Title.....Senior Accountant

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2006				Policies Issued in 2007, 2008 & 2009			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
Individual Policies																	
YES	A71-MP 1/90	P	NO	35	01/01/1984			12/31/1992	MEDI-PAK PLUS	27,227,487	21,076,076	77.4	9,888	60,979	16,768	27.5	26
YES	A71-MS 1/90	P	NO	35	01/01/1966			12/31/1992	MEDI-PAK STANDARD	1,331,377	936,598	70.3	477	33,552	9,095	27.1	16
YES	A71-MO 1/89	P	NO	35	01/01/1989			12/31/1992	MEDI-PAK LO OPTION	392,961	422,798	107.6	320			0.0	
YES	71-MPA	P	NO	1234	01/01/1992			12/31/2006	PLAN A	713,783	530,048	74.3	548			0.0	
YES	71-MPB	P	NO	1234	01/01/1992			12/31/2006	PLAN B	2,936,957	2,154,878	73.4	1,708			0.0	
YES	71-MPC	P	NO	1234	01/01/1992			12/31/2006	PLAN C	50,076,849	39,610,294	79.1	25,051			0.0	
YES	71-MPD	P	NO	1234	01/01/1992			12/31/2006	PLAN D	17,391,942	13,525,040	77.8	8,273			0.0	
YES	71-MPF	P	NO	12346	01/01/1992				PLAN F	65,035,117	51,020,763	78.5	32,877	3,364,166	2,398,138	71.3	2,048
YES	71-MPG	P	NO	12346	01/01/1992				PLAN G	3,941,192	3,351,052	85.0	2,762	1,170,826	801,406	68.4	901
YES	71-MPI	P	NO	1234	01/01/1992			12/31/2006	PLAN I	780,951	509,611	65.3	225	3,320	15,938	480.1	1
YES	71-MPINRX 1/06	P	NO	12346	01/01/1992				PLAN INRX	303,292	245,888	81.1	111	63,299	51,988	82.1	23
YES	72-MPA 1/07	P	NO	12346	01/01/2007				PLAN A			0.0		59,333	38,524	64.9	70
YES	72-MPB 1/07	P	NO	12346	01/01/2007				PLAN B			0.0		271,236	232,497	85.7	226
YES	72-MPC 1/07	P	NO	12346	01/01/2007				PLAN C			0.0		3,669,266	3,469,194	94.5	2,727
YES	72-MPD 1/07	P	NO	12346	01/01/2007				PLAN D			0.0		239,720	262,206	109.4	173
YES	72-MPJ 1/07	P	NO	12346	01/01/2007				PLAN J			0.0		18,627,644	14,973,126	80.4	15,168
YES	EEPMA5-86, 870 AN	P	NO	7					EMPLOYER'S EQUITABLE	135,264	110,907	82.0	62			0.0	
0199999.	Total Policy Experience on Individual Policies									170,267,172	133,493,953	78.4	82,302	27,563,341	22,268,880	80.8	21,379

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address..... 601 Gaines Street Little Rock AR 72201
   2.2 Contact person and phone number..... Jean Lockett 501-378-2087
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address..... 601 Gaines Street Little Rock AR 72201
   3.2 Contact person and phone number..... Jean Lockett 501-378-2087
4. Explain any policies identified as policy type "O".

* 8 3 4 7 0 2 0 0 9 3 6 5 0 0 1 0 0 *

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code....876 (To Be Filed By March 1) NAIC Company Code.....83470

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected:					
1.1 Standard Coverage:					
1.11 With Reinsurance Coverage	31,409,261	XXX		XXX	31,409,261
1.12 Without Reinsurance Coverage		XXX		XXX	0
1.13 Risk-Corridor Payment Adjustments	221,919	XXX		XXX	221,919
1.2 Supplemental Benefits	12,519,775	XXX		XXX	12,519,775
2. Premiums Due and Uncollected-Change:					
2.1 Standard Coverage:					
2.11 With Reinsurance Coverage	(13,525)	XXX		XXX	XXX
2.12 Without Reinsurance Coverage		XXX		XXX	XXX
2.2 Supplemental Benefits	(5,391)	XXX		XXX	XXX
3. Unearned Premium and Advance Premium-Change:					
3.1 Standard Coverage:					
3.11 With Reinsurance Coverage	53,898	XXX		XXX	XXX
3.12 Without Reinsurance Coverage		XXX		XXX	XXX
3.2 Supplemental Benefits	21,484	XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-Change:					
4.1 Receivable	852,795	XXX		XXX	XXX
4.2 Payable	(154,286)	XXX		XXX	XXX
5. Earned Premiums:					
5.1 Standard Coverage:					
5.11 With Reinsurance Coverage	31,341,838	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	920,428	XXX	0	XXX	XXX
5.2 Supplemental Benefits	12,492,901	XXX	0	XXX	XXX
6. Total Premiums	44,755,167	XXX	0	XXX	44,150,955
7. Claims Paid:					
7.1 Standard Coverage:					
7.11 With Reinsurance Coverage	43,184,859	XXX		XXX	43,184,859
7.12 Without Reinsurance Coverage		XXX		XXX	0
7.2 Supplemental Benefits	6,452,910	XXX		XXX	6,452,910
8. Claim Reserves and Liabilities-Change:					
8.1 Standard Coverage:					
8.11 With Reinsurance Coverage	18,789	XXX		XXX	XXX
8.12 Without Reinsurance Coverage		XXX		XXX	XXX
8.2 Supplemental Benefits	2,807	XXX		XXX	XXX
9. Health Care Receivables-Change:					
9.1 Standard Coverage:					
9.11 With Reinsurance Coverage	7,557,115	XXX		XXX	XXX
9.12 Without Reinsurance Coverage		XXX		XXX	XXX
9.2 Supplemental Benefits	1,129,224	XXX		XXX	XXX
10. Claims Incurred:					
10.1 Standard Coverage:					
10.11 With Reinsurance Coverage	35,646,533	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
10.2 Supplemental Benefits	5,326,493	XXX	0	XXX	XXX
11. Total Claims	40,973,026	XXX	0	XXX	49,637,769
12. Reinsurance Coverage and Low Income Cost Sharing:					
12.1 Claims Paid - Net of Reimbursements Applied	XXX	(3,503,834)	XXX		(3,503,834)
12.2 Reimbursements Received but Not Applied-Change	XXX	20,884,717	XXX		20,884,717
12.3 Reimbursements Receivable-Change	XXX		XXX		XXX
12.4 Health Care Receivables-Change	XXX	899,085	XXX		XXX
13. Aggregate Policy Reserves-Change	47,219				XXX
14. Expenses Paid	9,624,395	XXX		XXX	9,624,395
15. Expenses Incurred	9,630,401	XXX		XXX	XXX
16. Underwriting Gain/Loss	(5,895,479)	XXX	0	XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	9,277,342

2009 ALPHABETICAL INDEX
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