



QUARTERLY STATEMENT
AS OF March 31, 2009
OF THE CONDITION AND AFFAIRS OF THE
QCA Health Plan, Inc.

NAIC Group Code	<u>0000</u> <small>(Current Period)</small>	<u>0000</u> <small>(Prior Period)</small>	NAIC Company Code	<u>95448</u>	Employer's ID Number	<u>71-0794605</u>
Organized under the Laws of	<u>Arkansas</u>		State of Domicile or Port of Entry	<u>Arkansas</u>		
Country of Domicile	<u>United States of America</u>					
Licensed as business type:	Life, Accident & Health[<input type="checkbox"/>] Dental Service Corporation[<input type="checkbox"/>] Other[<input type="checkbox"/>]	Property/Casualty[<input type="checkbox"/>] Vision Service Corporation[<input type="checkbox"/>] Is HMO Federally Qualified? Yes[<input type="checkbox"/>] No[X] N/A[<input type="checkbox"/>]	Hospital, Medical & Dental Service or Indemnity[<input type="checkbox"/>] Health Maintenance Organization[X]			
Incorporated/Organized	<u>04/08/1996</u>	Commenced Business	<u>07/31/1996</u>			
Statutory Home Office	<u>10825 Financial Centre Parkway, Suite 400</u> <small>(Street and Number)</small>		<u>Little Rock, AR 72211</u> <small>(City, or Town, State and Zip Code)</small>			
Main Administrative Office	<u>10825 Financial Centre Parkway, Suite 400</u> <small>(Street and Number)</small>					
	<u>Little Rock, AR 72211</u> <small>(City or Town, State and Zip Code)</small>		<u>(501)228-7111</u> <small>(Area Code) (Telephone Number)</small>			
Mail Address	<u>10825 Financial Centre Parkway, Suite 400</u> <small>(Street and Number or P.O. Box)</small>		<u>Little Rock, AR 72211</u> <small>(City, or Town, State and Zip Code)</small>			
Primary Location of Books and Records	<u>10825 Financial Centre Parkway</u> <small>(Street and Number)</small>					
	<u>Little Rock, AR 72211</u> <small>(City, or Town, State and Zip Code)</small>		<u>(501)228-7111</u> <small>(Area Code) (Telephone Number)</small>			
Internet Web Site Address	<u>www.qcark.com</u>					
Statutory Statement Contact	<u>Randall Crow</u> <small>(Name)</small>		<u>(501)219-5109</u> <small>(Area Code)(Telephone Number)(Extension)</small>			
	<u>randall.crow@qcark.com</u> <small>(E-Mail Address)</small>		<u>(501)228-0135</u> <small>(Fax Number)</small>			

OFFICERS

<u>Name</u>	<u>Title</u>
Michael Edward Stock	President
James W. Couch	Secretary
Randall Alvin Crow	Treasurer

OTHERS

Miles Haley Wilson, Vice President/CIO-I.T.
 Roger Keeney Howe M.D., MMM, Vice President - Medical Affairs
 Betty Jo Tatum-Himes, Vice President - Sales & Marketing

James W. Couch J.D., Chief Compliance Officer
 Joni Self Daniels, Vice President - Operations
 Jon Foose, Vice President - Underwriting

DIRECTORS OR TRUSTEES

Richard Allen Pierson
 Buford Joseph Suffridge DDS, MS,PA
 A. David Hall M.D.
 Barbara Garner Williams RN, PhD
 Raymond Willaim Montgomery II

Patricia Ellen Gorman
 Joseph Patrick Searcy
 Charles W. Smith M.D.
 Joseph Maurice Elser M.D.
 James Knox Hendren PhD

State of Arkansas
 County of Pulaski ss

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

(Signature)
 Michael Edward Stock

(Printed Name)
 1.
 President

(Title)

(Signature)
 James W. Couch

(Printed Name)
 2.
 Secretary

(Title)

(Signature)
 Randall Alvin Crow

(Printed Name)
 3.
 Treasurer

(Title)

Subscribed and sworn to before me this _____ day of _____, 2009

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

Yes[X] No[]

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

Martin Fiser M.D.
Michael Edward Stock

Harold Jackson Lassiter Jr.
Alan D. Winkler

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	12,693,046		12,693,046	12,390,478
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....23,634,510), cash equivalents (\$.....0) and short-term investments (\$.....0)	23,634,510		23,634,510	20,275,719
6. Contract loans (including \$.....0 premium notes)				
7. Other invested assets	5,591		5,591	5,580
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	36,333,147		36,333,147	32,671,777
11. Title plants less \$.....0 charged off (for Title insurers only)				
12. Investment income due and accrued	188,558		188,558	164,814
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	717,810		717,810	340,524
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	376,777		376,777	580,161
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans	(18,252)		(18,252)	16,926
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	624,000		624,000	624,000
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$.....0)				
20. Net adjustments in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	155,478		155,478	155,478
22. Health care (\$.....0) and other amounts receivable	489,705	489,705		
23. Aggregate write-ins for other than invested assets	248,209	15,136	233,073	3
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	39,115,432	504,841	38,610,591	34,553,683
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	39,115,432	504,841	38,610,591	34,553,683
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. State of Arkansas, CHIP deduction	233,073		233,073	
2302. Prepaid expense	15,136	15,136		3
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	248,209	15,136	233,073	3

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	9,815,683	1,078,527	10,894,210	9,454,989
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	68,944		68,944	68,944
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	3,890,015		3,890,015	2,464,505
9. General expenses due or accrued	1,468,359		1,468,359	1,349,642
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))	22,684		22,684	22,127
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	323,768		323,768	276,496
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans	1,396,551		1,396,551	1,281,140
21. Aggregate write-ins for other liabilities (including \$.....0 current)				
22. Total liabilities (Lines 1 to 21)	16,986,004	1,078,527	18,064,531	14,917,843
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X	1,553	1,553
25. Preferred capital stock	X X X	X X X	25,500,046	25,500,046
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	(4,955,179)	(5,865,399)
30. Less treasury stock, at cost:				
30.10 shares common (value included in Line 24 \$.....0)	X X X	X X X	360	360
30.20 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	20,546,060	19,635,840
32. Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	38,610,591	34,553,683
DETAILS OF WRITE-INS				
2101. rounding				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	107,842	90,670	392,688
2. Net premium income (including \$.....0 non-health premium income)	X X X	28,016,787	22,991,554	99,735,382
3. Change in unearned premium reserves and reserves for rate credits	X X X			
4. Fee-for-service (net of \$.....0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	28,016,787	22,991,554	99,735,382
Hospital and Medical:				
9. Hospital/medical benefits	1,746,928	17,645,742	14,830,607	65,643,106
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area	784,363	922,860	1,034,156	3,432,391
13. Prescription drugs		4,731,284	3,685,437	16,135,509
14. Aggregate write-ins for other hospital and medical				
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)	2,531,291	23,299,886	19,550,200	85,211,006
Less:				
17. Net reinsurance recoveries		371,580	263,796	1,640,358
18. Total hospital and medical (Lines 16 minus 17)	2,531,291	22,928,306	19,286,404	83,570,648
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$.....854,058 cost containment expenses		1,154,132	1,283,886	3,906,501
21. General administrative expenses		3,168,461	2,139,809	10,698,221
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)	2,531,291	27,250,899	22,710,099	98,175,370
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	765,888	281,455	1,560,012
25. Net investment income earned		170,838	316,128	1,039,598
26. Net realized capital gains (losses) less capital gains tax of \$.....0				4,318
27. Net investment gains or (losses) (Lines 25 plus 26)		170,838	316,128	1,043,916
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]				
29. Aggregate write-ins for other income or expenses		(1)		
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	936,725	597,583	2,603,928
31. Federal and foreign income taxes incurred	X X X	32,785	20,915	91,136
32. Net income (loss) (Lines 30 minus 31)	X X X	903,940	576,668	2,512,792
DETAILS OF WRITE-INS				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901. rounding		(1)		
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		(1)		

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	19,635,840	17,469,334	17,469,334
34. Net income or (loss) from Line 32	903,940	576,668	2,512,792
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			(190,000)
39. Change in nonadmitted assets	6,285	109,309	(156,274)
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus	(5)	(1)	(12)
48. Net change in capital and surplus (Lines 34 to 47)	910,220	685,976	2,166,506
49. Capital and surplus end of reporting period (Line 33 plus 48)	20,546,060	18,155,310	19,635,840
DETAILS OF WRITE-INS			
4701. Rounding	(5)	(1)	(12)
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(5)	(1)	(12)

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations			
1.	Premiums collected net of reinsurance	29,065,011	99,810,797
2.	Net investment income	155,639	1,048,746
3.	Miscellaneous income	15,521	(180,124)
4.	Total (Lines 1 to 3)	29,236,171	100,679,419
5.	Benefit and loss related payments	21,285,701	81,098,993
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	4,053,288	15,046,170
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	32,228	89,173
10.	Total (Lines 5 through 9)	25,371,217	96,234,336
11.	Net cash from operations (Line 4 minus Line 10)	3,864,954	4,445,083
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	3,000,000	11,975,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	3,000,000	11,975,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	3,307,958	10,906,144
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	3,166	96
13.7	Total investments acquired (Lines 13.1 to 13.6)	3,311,124	10,906,240
14.	Net increase (or decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(311,124)	1,068,760
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(195,039)	66,845
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(195,039)	66,845
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	3,358,791	5,580,688
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	20,275,719	14,695,031
19.2	End of period (Line 18 plus Line 19.1)	23,634,510	20,275,719

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

Description		Amount 1	Amount 2
20.0001		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	35,516	136	35,380							
2. First Quarter	36,680	342	36,338							
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	107,842	811	107,031							
Total Member Ambulatory Encounters for Period:										
7. Physician	74,232	368	73,864							
8. Non-Physician	12,552	54	12,498							
9. Total	86,784	422	86,362							
10. Hospital Patient Days Incurred	2,481		2,481							
11. Number of Inpatient Admissions	633		633							
12. Health Premiums Written (a)	28,567,146	116,776	28,450,370							
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	28,567,146	116,776	28,450,370							
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	21,270,180	25,294	21,244,886							
18. Amount Incurred for Provision of Health Care Services	23,299,886	54,001	23,245,885							

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

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered	502,896	158,227	47,180	31,022	43,266	782,591
0399999 Aggregate Accounts Not Individually Listed - Covered	4,576,860	1,440,028	429,387	282,334	393,764	7,122,373
0499999 Subtotals	5,079,756	1,598,255	476,567	313,356	437,030	7,904,964
0599999 Unreported claims and other claim reserves						2,989,446
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						10,894,410
0899999 Accrued Medical Incentive Pool And Bonus Amounts						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	8,912,942	13,088,145	437,030	10,457,180	9,349,972	9,454,989
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	8,912,942	13,088,145	437,030	10,457,180	9,349,972	9,454,989
10. Healthcare receivables (a)	730,907		533,433	333,049	1,264,340	1,085,387
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	8,182,035	13,088,145	(96,403)	10,124,131	8,085,632	8,369,602

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

Notes to Financial Statement

QCA HEALTH PLAN, INC.

(1) Summary of Significant Accounting Practices

There were no significant changes in this period to Accounting Practices

The following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements. Such policies are in conformity with the Annual Statement Instructions and the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners ("NAIC") and the accounting practices as prescribed or permitted by the Arkansas Insurance Department and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents: The Company considers all cash accounts and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Certificates of Deposit with a maturity of one year or less are also considered to be cash equivalents.

Premiums Receivable: Premiums receivable represent medical premium revenue that has been billed and recognized as revenue, but has not been collected.

Investment Securities: Bonds and other debt instruments are classified as held to maturity and are stated at cost adjusted for amortization of premiums and accretion of discounts computed by the interest method. Certificates of deposit, money market trust accounts, and other interest bearing accounts are stated at cost.

Medical Claims Payable: Reported claims expected to be paid after the balance sheet date for services provided to members prior to the balance sheet date are recorded as liabilities. Claims for services provided to members during the financial reporting period which are unreported at the balance sheet date are estimated based on the Company's claims experience and recorded as liabilities. The amounts recorded are based upon estimates of the ultimate net cost of such services provided. These reserves are subject to continuous review by management and changes in estimates are reflected in earnings currently.

Income Taxes: Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to the differences between the treatment of surplus notes payable for financial and income tax reporting and net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Revenue: Medical premium revenue is recognized in the month in which members are entitled to receive health care services. Medical premiums collected in advance are recorded as unearned premium revenue.

Cost of Benefits Provided: Cost of benefits provided includes the costs of all medical services delivered to enrolled members of the Company and for whom the Company has recorded medical premium revenue during the reporting period. These costs include payments for specific medical services paid to physicians, hospitals, and other health care providers on a fee-for-service basis. Costs of benefits include claims paid, claims in process and pending, estimates of unreported claims and charges, and processing costs of those estimates at the end of the fiscal year for which the Company will be responsible. There are a limited number of provider contracts within the network that contain a risk sharing arrangement. The withhold from this arrangement is recorded as an expense and paid out in its entirety at the end of each month.

Premium Tax: The state in which the Company does business requires the remittance of premium taxes based upon a percentage of billed premiums.

Advertising Costs: Advertising and promotions related expenses are charged to operations when incurred.

Non-Admitted Assets: Certain assets (principally pharmaceutical rebate receivables and deferred tax assets not expected to be realized within a 12 month period) designated as "non-admitted" are not included in the financial statements.

Accounting Estimates: The preparation of financial statements in conformity with the accounting practices described above requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Notes to Financial Statement

(2) **Accounting Changes and Corrections of Errors**

None.

(3) **Business Combinations and Goodwill**

None.

(4) **Discontinued Operations**

None.

(5) **Investments**

No significant change

(6) **Joint Ventures, Partnerships and Limited Liability Companies**

No significant change

(7) **Investment Income**

No significant change.

(8) **Derivative Instruments**

None.

(9) **Income Taxes**

No significant change

(10) **Information Concerning Parent, Subsidiaries and Affiliates**

During November 1999, the Company entered into a service agreement with an affiliate of a stockholder whereby the affiliate would provide a full range of administrative, managerial and technological services as well as the continued license rights that the Company had previously obtained from the stockholder. An amendment to this agreement was entered into effective November 30, 2001, whereby the term of the agreement will continue until December 31, 2007, and will be renewed automatically for additional renewal terms of 1 year thereafter. The affiliate may also terminate the agreement in the event that the Company is not compliant with the risk based capital requirements contained within the amendment. Effective December 30, 2006, a second amendment to this agreement was entered into in which the parties acknowledged the agreement would terminate on December 31, 2007. This amendment also provided for the orderly transition of all services back to the Company. This contract expired at the end of 2007. The Company did not pay this affiliate any fees in 2008 or 2009.

The Company entered into an agreement with QualChoice in November 2001, whereby the Company assumed the groups QualChoice managed under a third party administrator agreement on January 1, 2002, on behalf of employers which sponsor health benefit plans for employees. The Company assumed the obligations to perform such duties under the existing contracts with QualChoice, and in exchange for receiving these groups, the Company is to pay QualChoice \$650,000 in annual network rental fees for the years ending December 31, 2002 through 2008. The fees can be renegotiated annually. The fee was renegotiated for 2008 and 2009.

(11) **Surplus Notes**

Notes to Financial Statement

No significant change

(12) **Retirement Plans, Deferred Compensation and Other Postretirement Benefit Plans**

No significant change

(13) **Capital and Surplus, Shareholders' Dividend Restrictions and Quasi- Reorganizations**

No significant change

(14) **Contingent Liabilities**

No significant change

(15) **Leases**

None.

(16) **Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

None.

(17) **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

None.

(18) **Gain or Loss To The Reporting Entity From Uninsured A&H Plans and The Uninsured Portion of Partially Insured Plans**

No significant change

(19) **Direct Premium Written/Produced By Managing General Agents/Third Party**

Administrators

None.

(20) **Other Items**

None.

(21) **Events Subsequent**

None.

(22) **Reinsurance**

No significant change

(23) **Retrospectively Rated Contracts & Contracts Subject To Redetermination**

None.

(24) **Change In Incurred Claims and Claim Adjustment Expenses**

None.

(26) **Intercompany Pooling Arrangements**

Notes to Financial Statement

None.

(27) Structured Settlements

None.

(28) Health Care Receivables

No significant changes

(29) Participating Policies

None.

(30) Premium Deficiency Reserves

None.

(31) Anticipated Salvage and Subrogation

None.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[] No[] N/A[X]

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change:

- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[] No[X]
If yes, complete the Schedule Y - Part 1 - organizational chart.

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[X] No[] N/A[]
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2005.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2005.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).12/11/2006.....
- 6.4 By what department or departments?
Arkansas Insurance Department
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[] No[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 7.2 If yes, give full information

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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
.....	Yes[] No[X]				

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 155,478

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:

- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$..... 0
- 13. Amount of real estate and mortgages held in short-term investments: \$..... 0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[X] No[]
- 14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds		
14.22 Preferred Stock		
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages Loans on Real Estate		
14.26 All Other	5,580	5,591
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	5,580	5,591
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		

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

16. 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[X]
 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

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

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes[] No[X]
 16.4 If yes, give full and complete information relating thereto:

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

16.5 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	2 Name(s)	3 Address
	Dennis Whitaker	200 Commerce Dr. Ste. 100 Little Rock, AR
	Alan Tedford	111 Center Street, Little Rock, AR

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
 17.2 If no, list exceptions:

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
			NONE			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		Direct Business Only							
		1	2	3	4	5	6	7	8
State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	L	28,567,146						28,567,146	
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	28,567,146						28,567,146	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Total (Direct Business)	(a) 1	28,567,146						28,567,146	
DETAILS OF WRITE-INS									
5801.	X X X								
5802.	X X X								
5803.	X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(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**

PARENTS:

QualChoice of Arkansas, Inc.
FEIN: 71-0752544
Third Party Administrator of
Managed Care Health

81.34%

The Trizetto Group, Inc.
FEIN: 33-0761159
Managed Care Services
and Consulting Firm

1.68%

University of Arkansas
for Medical Sciences
FEIN: 71-6046242

15.09%

Arkansas Children's Hospital
FEIN: 71-0236857

1.89%

Q14

HMO:

QCA Health Plan, Inc.
FEIN: 71-0794605
Health Maintenance Organization

SUBSIDIARY:

QCA Insurance Agency, LLC
FEIN: 36-4571617
owned 100% by QCA Health Plan, Inc.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



95448200936500001

2009

Document Code: 365

SCHEDULE A - VERIFICATION**Real Estate**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE**SCHEDULE B - VERIFICATION****Mortgage Loans**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest paid		
9. Total foreign exchange change in book value/recorded investment		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

Description	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	5,580	5,484
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	11	96
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	5,591	5,580
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	5,591	5,580

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	12,390,478	13,445,246
2. Cost of bonds and stocks acquired	3,307,958	10,906,144
3. Accrual of discount	(5,686)	26,117
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	3,155	4,318
6. Deduct consideration for bonds and stocks disposed of	3,000,000	11,975,000
7. Deduct amortization of premium	2,859	16,347
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	12,693,046	12,390,478
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	12,693,046	12,390,478

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	12,390,478	3,307,958	3,000,000	(5,390)	12,693,046			12,390,478
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	12,390,478	3,307,958	3,000,000	(5,390)	12,693,046			12,390,478
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	12,390,478	3,307,958	3,000,000	(5,390)	12,693,046			12,390,478

Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

QSI02

SCHEDULE DA - PART 1

Short - Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals		X X X			

SCHEDULE DA - Verification

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of short-term investments acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized ...		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

SI04 **Schedule DB Part F Section 1** **NONE**

SI05 **Schedule DB Part F Section 2** **NONE**

SI06 **Schedule E - Verification (Cash Equivalentents)** **NONE**

E01 **Schedule A Part 2** **NONE**

E01 **Schedule A Part 3** **NONE**

E02 **Schedule B Part 2** **NONE**

E02 **Schedule B Part 3** **NONE**

E03 **Schedule BA Part 2** **NONE**

E03 **Schedule BA Part 3** **NONE**

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
31398AVZ2	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	126,438	125,000.00	181	1
31398AVZ2	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	60,690	60,000.00	87	1
912828KF6	US TREASURY NOTE		03/31/2009	STEPHENS INC.	X X X	126,329	125,000.00	197	1
912828KF6	US TREASURY NOTE		03/31/2009	STEPHENS INC.	X X X	60,675	60,000.00	95	1
31398AVD1	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	127,000	125,000.00	544	1
31398AVD1	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	60,960	60,000.00	261	1
3137EABX6	FEDERAL HOME LOAN MORTGAGE		03/31/2009	STEPHENS INC.	X X X	125,563	125,000.00	729	1
3137EABX6	FEDERAL HOME LOAN MORTGAGE		03/31/2009	STEPHENS INC.	X X X	60,270	60,000.00	350	1
912828JW1	US TREASURY NOTE		03/31/2009	STEPHENS INC.	X X X	124,570	125,000.00	477	1
912828JW1	US TREASURY NOTE		03/31/2009	STEPHENS INC.	X X X	59,878	60,000.00	229	1
31398AUJ9	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	127,913	125,000.00	1,108	1
31398AUJ9	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	61,500	60,000.00	532	1
3137EABJ7	FEDERAL HOME LOAN MORTGAGE		03/31/2009	STEPHENS INC.	X X X	132,063	125,000.00	1,495	1
31398AMW9	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	62,760	60,000.00	937	1
31398AMW9	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	130,688	125,000.00	1,952	1
3133XTAW6	FEDERAL HOME LOAN BANK		03/31/2009	STEPHENS INC.	X X X	115,874	115,000.00	194	1
3133XTAW6	FEDERAL HOME LOAN BANK		03/31/2009	STEPHENS INC.	X X X	50,450	50,000.00	84	1
912828KG4	US TREASURY NOTE		03/31/2009	STEPHENS INC.	X X X	115,754	115,000.00	73	1
912828KG4	US TREASURY NOTE		03/31/2009	STEPHENS INC.	X X X	50,367	50,000.00	32	1
31398AUU4	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	116,196	115,000.00	530	1
31398AUU4	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	50,550	50,000.00	231	1
3133XQQQ8	FEDERAL HOME LOAN BANK		03/31/2009	STEPHENS INC.	X X X	118,128	115,000.00	1,107	1
3133XQQQ8	FEDERAL HOME LOAN BANK		03/31/2009	STEPHENS INC.	X X X	51,360	50,000.00	481	1
31398APG1	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	118,439	115,000.00	1,502	1
31398APG1	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	51,495	50,000.00	653	1
3137EABK4	FEDERAL HOME LOAN MORTGAGE		03/31/2009	STEPHENS INC.	X X X	118,485	115,000.00	1,502	1
31398AVQ2	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	110,857	110,000.00	48	1
31398AVQ2	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	50,389	50,000.00	22	1
3137EABF5	FEDERAL HOME LOAN MORTGAGE		03/31/2009	STEPHENS INC.	X X X	114,269	110,000.00	367	1
3137EABU2	FEDERAL HOME LOAN BANK		03/31/2009	STEPHENS INC.	X X X	103,197	100,000.00	1,806	1
3137EABU2	FEDERAL HOME LOAN BANK		03/31/2009	STEPHENS INC.	X X X	51,598	50,000.00	903	1
31398ASU7	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	113,567	110,000.00	497	1
31398ASU7	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	51,621	50,000.00	226	1
31398AMV1	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	101,656	100,000.00	1,201	1
31398AMV1	FEDERAL NATL. MORTG. ASSOCIATION		03/31/2009	STEPHENS INC.	X X X	50,829	50,000.00	601	1
3133XES83	FEDERAL HOME LOAN BANK		03/31/2009	STEPHENS INC.	X X X	103,721	100,000.00	271	1
3133XES83	FEDERAL HOME LOAN BANK		03/31/2009	STEPHENS INC.	X X X	51,860	50,000.00	135	1
0399999	Subtotal - Bonds - U.S. Governments				X X X	3,307,958	3,240,000.00	21,640	X X X
8399997	Subtotal - Bonds - Part 3				X X X	3,307,958	3,240,000.00	21,640	X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	3,307,958	3,240,000.00	21,640	X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X		X X X		X X X

QE04

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
9999999	Total - Bonds, Preferred and Common Stocks				X X X	3,307,958	X X X	21,640	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value	10 Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)	
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
Bonds - U.S. Governments																					
3137EAA7	FEDERAL HOME LOAN MORTG.	02/17/2009	ARVEST TRUST	X X X	1,000,000	1,000,000.00	992,755	999,666		45		45		1,000,000				24,375	02/17/2009	1	
3128X4F71	FEDERAL AGENCY BONDS	02/27/2009	STEPHENS INC.	X X X	500,000	500,000.00	499,900	499,955		334		334		500,000				12,813	02/27/2009	1	
31331YTH3	FEDERAL FARM CREDIT BANK	01/21/2009	STEPHENS INC.	X X X	500,000	500,000.00	500,000	500,000						500,000				7,567	02/14/2011	1	
3133XQB84	FEDERAL HOME LOAN BANK	03/26/2009	STEPHENS INC.	X X X	1,000,000	1,000,000.00	996,000	995,337		233		233		996,844		3,155	3,155	18,450	03/26/2012	1	
0399999	Subtotal - Bonds - U.S. Governments			X X X	3,000,000	3,000,000.00	2,988,655	2,994,958		612		612		2,996,844		3,155	3,155	63,205	X X X	X X X	
8399997	Subtotal - Bonds - Part 4			X X X	3,000,000	3,000,000.00	2,988,655	2,994,958		612		612		2,996,844		3,155	3,155	63,205	X X X	X X X	
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)			X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds			X X X	3,000,000	3,000,000.00	2,988,655	2,994,958		612		612		2,996,844		3,155	3,155	63,205	X X X	X X X	
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)			X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)			X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks			X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9999999	Total - Bonds, Preferred and Common Stocks			X X X	3,000,000	X X X	2,988,655	2,994,958		612		612		2,996,844		3,155	3,155	63,205	X X X	X X X	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E06 Schedule DB Part A Section 1 NONE

E06 Schedule DB Part B Section 1 NONE

E07 Schedule DB Part C Section 1 NONE

E07 Schedule DB Part D Section 1 NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
open depositories									
Arvest Bank Trust	P.O. Box 1583, Little Rock, AR 72203		0.700	4,371	1,207	1,976,871	3,016,583	3,046,129	X X X
Arvest Bank	P.O. Box 1583, Little Rock, AR 72203		1.000			12,796,330	15,277,130	14,873,236	X X X
Stephens Bank Trust	111 Center St. Little Rock, AR 72201		0.750	704		505,111	505,111	1,715,045	X X X
Arvest Bank Non-negotiable CD	P.O Box 1583, Little Rock, AR 72203		3.370	40,554	44,933	4,000,000	4,000,000	4,000,000	X X X
0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories		X X X	X X X						X X X
0199999 Totals - Open Depositories		X X X	X X X	45,629	46,140	19,278,312	22,798,824	23,634,410	X X X
suspended depositories									
0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories		X X X	X X X						X X X
0299999 Totals - Suspended Depositories		X X X	X X X						X X X
0399999 Total Cash On Deposit		X X X	X X X	45,629	46,140	19,278,312	22,798,824	23,634,410	X X X
0499999 Cash in Company's Office		X X X	X X X	X X X	X X X	100	100	100	X X X
0599999 Total Cash		X X X	X X X	45,629	46,140	19,278,412	22,798,924	23,634,510	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> N O N E </div>							
8699999 Total - Cash Equivalents							



95448200936500101

2009

Document Code: 365

MEDICARE PART D COVERAGE SUPPLEMENT

Net of Reinsurance

For the Quarter Ended March 31, 2009

NAIC Group Code:

NAIC Company Code: 95448

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected		X X X		X X X	
2. Earned Premiums		X X X		X X X	X X X
3. Claims Paid		X X X		X X X	
4. Claims Incurred		X X X		X X X	X X X
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	X X X		X X X		
6. Aggregate Policy Reserves - change		X X X		X X X	X X X
7. Expenses Paid		X X X		X X X	
8. Expenses Incurred		X X X		X X X	X X X
9. Underwriting Gain or Loss		X X X		X X X	X X X
10. Cash Flow Results	X X X	X X X	X X X	X X X	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.0 due from CMS or \$.0 due to CMS

INDEX TO HEALTH QUARTERLY STATEMENT

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11
Accounting Practices and Policies; Q5; Q10, Note 1
Admitted Assets; Q2
Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05
Bonuses; Q3; Q4; Q8; Q9
Borrowed Funds; Q3; Q6
Business Combinations and Goodwill; Q10, Note 3
Capital Gains (Losses)
 Realized; Q4
 Unrealized; Q4; Q5
Capital Stock; Q3; Q10, Note 13
Capital Notes; Q6; Q10, Note 11
Caps; QE06
Cash; Q2; Q6; QE08
Cash Equivalents; Q2; Q6; QE09
Claims; Q3; Q4; Q8; Q9
Collars; QE07
Commissions; Q6
Common Stock; Q2; Q3; Q6; Q11.1; Q11.2
Cost Containment Expenses; Q4
Contingencies; Q10, Note 14
Counterparty Exposure; Q10, Note 8; QE06; QE07
Debt; Q10, Note 11
Deferred Compensation; Q10, Note 2
Derivative Instruments; Q10, Note 8; QSI04; QSI05; QE06; QE07
Discontinued Operations; Q10, Note 4
Electronic Data Processing Equipment; Q2
Encumbrances; Q2; QSI01; QE01
Emergency Room; Q4
Expenses; Q3; Q4; Q6
Extinguishment of Liabilities; Q10, Note 17
Extraordinary Item; Q10, Note 20
Fee for Service; Q4
Foreign Exchange; Q2; Q3; Q5; QSI01; QSI03; QE01; QE02; QE03; QE05
Forwards; QE07
Furniture, Equipment and Supplies; Q2
Guaranty Fund; Q2
Health Care Receivables; Q2; Q9; Q10, Note 27
Hospital/Medical Benefits; Q4
Incentive Pools; Q3; Q4; Q8; Q9
Income; Q4; Q5; Q6
Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9
Incurred Claims and Claim Adjustment Expenses; Q10, Note 24
Intercompany Pooling; Q10, Note 25
Investment Income; Q10, Note 7
 Accrued; Q2
 Earned; Q2; QSI03
 Received; Q6
Investments; Q10, Note 5; Q11.1; Q11.2
Joint Venture; Q10, Note 6
Leases; Q10, Note 15
Limited Liability Company (LLC); Q10, Note 6
Limited Partnership; Q10, Note 6
Long-Term Invested Assets; Q2; QE03
Managing General Agents; Q10, Note 19
Medicare Part D Coverage; QSupp1
Member Months; Q4; Q7
Mortgage Loans; Q2; Q6; Q11.1; QSI01; QE02
Nonadmitted Assets; Q2; Q5; QSI01; QSI03
Off-Balance Sheet Risk; Q10, Note 16
Options; QE06
Organizational Chart; Q11; Q14
Out-of-Area; Q4
Outside Referrals; Q4
Parent, Subsidiaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1
Participating Policies; Q10, Note 28
Pharmaceutical Rebates; Q10, Note 27
Policyholder Dividends; Q5; Q6
Postemployment Benefits; Q10, Note 12
Postretirement Benefits; Q10, Note 12
Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2
Premium Deficiency Reserves; Q10, Note 29

INDEX TO HEALTH QUARTERLY STATEMENT

Premiums and Considerations

- Advance; Q3
- Collected; Q6
- Deferred; Q2
- Direct; Q7; Q13
- Earned; Q7
- Retrospective; Q2
- Uncollected; Q2
- Unearned; Q4
- Written; Q4; Q7

Prescription Drugs; Q4

Quasi Reorganizations; Q10, Note 13

Real Estate; Q2; Q6; QE01; QSI01

Redetermination, Contracts Subject to; Q10, Note 23

Reinsurance; Q9; Q10, Note 22

- Ceded; Q3; Q12
- Funds Held; Q2
- Payable; Q3
- Premiums; Q3
- Receivable; Q2; Q4
- Unauthorized; Q3; Q5

Reserves

- Accident and Health; Q3; Q4
- Claim; Q3; Q5; Q8
- Life; Q3

Retirement Plans; Q10, Note 12

Retrospectively Rated Policies; Q10, Note 23

Risk Revenue; Q4

Salvage and Subrogation; Q10, Note 30

Servicing of Financial Assets; Q10, Note 17

Short-Term Investments; Q2; Q6; Q11.1; QSI03

Stockholder Dividends; Q5; Q6

Subsequent Events; Q10, Note 21

Surplus; Q3; Q5; Q6

Surplus Notes; Q3; Q5; Q6

Swaps; QE07

Synthetic Assets; QSI04; QSI05

Third Party Administrator; Q10, Note 19

Treasury Stock; Q3; Q5

Uninsured Accident and Health; Q2; Q3; Q10, Note 18

Valuation Allowance; QSI01

Wash Sales; Q10, Note 17

Withholds; Q4; Q8