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ANNUAL STATEMENT

For the Year Ending December 31, 2006

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, State and Zip Code)*	
Main Administrative Office	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(Street and Number) (City, 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, State and Zip Code)*	
Primary Location of Books and Records	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(Street and Number) (City, State and Zip Code)*	501-378-2000 *(Area Code) (Telephone Number)*
Internet Website Address	www.arkansasbluecross.com	
Statutory Statement Contact	Steven James Short *(Name)*	501-378-2581 *(Area Code) (Telephone Number) (Extension)*
	sjshort@arkbluecross.com *(E-Mail Address)*	501-378-5633 *(Fax Number)*
Policyowner Relations Contact	601 S. Gaines….. Little Rock ..... AR ..... 72201 *(Street and Number) (City, State and Zip Code)*	501-378-2000 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

Name	Title	Name	Title
1. Robert Lee Shoptaw	Chief Executive Officer	2. James Lee Douglass	Secretary
3. Paul Mark White	Treasurer	4. Sharon Kay Allen	President & COO

OTHER

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

DIRECTORS OR TRUSTEES

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

State of.....Arkansas
County of.....Puliaski

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)
Robert Lee Shoptaw	James Lee Douglass	Paul Mark White
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 _____

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	66,020,434	718,805	31,950	33,183	33,183	66,771,189
0299999. Total group	66,020,434	718,805	31,950	33,183	33,183	66,771,189
0599999. Accident and health premiums due and unpaid (Page 2, Line 13)	66,020,434	718,805	31,950	33,183	33,183	66,771,189

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	1,282,022	1,280,794	9,446	39,303	39,303	2,572,262
0199999. Total Pharmaceutical Rebate Receivables	1,282,022	1,280,794	9,446	39,303	39,303	2,572,262
Other Receivables						
Federal Employee Program Receivable	20,248,118					20,248,118
Miscellaneous Receivable	6,783,362			1,172,187	1,172,187	6,783,362
0699999. Total Other Receivables	27,031,480	0	0	1,172,187	1,172,187	27,031,480
0799999. Total Health Care Receivables	28,313,502	1,280,794	9,446	1,211,490	1,211,490	29,603,742

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	6,094,324	2,204,885		226		8,299,435
0499999. Subtotals	6,094,324	2,204,885	0	226	0	8,299,435
0599999. Unreported claim and other claim reserves						94,873,671
0799999. Total claims unpaid						103,173,107
0899999. Accrued medical incentive pool and bonus amounts						145,856

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							
Pinnacle Business Solutions, Inc.	18,660,115	8,879,933	9,689,247			18,660,115	18,569,180
HMO Partners, Inc.	5,483,922					5,483,922	
0199999. Individually listed receivables	24,144,037	8,879,933	9,689,247	0	0	24,144,037	18,569,180
0299999. Receivables not individually listed	(15,912)	5,272	682,791			(15,912)	688,063
0399999. Total gross amounts receivable	24,128,125	8,885,205	10,372,038	0	0	24,128,125	19,257,243

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				
Pinnacle Business Solutions, Inc.	Intercompany	8,003,907	(190,130)	8,194,037
0199999. Individually listed payables		8,003,907	(190,130)	8,194,037
0299999. Payables not individually listed		2,731,090	1,035,851	1,695,239
0399999. Total gross payables		10,734,997	845,721	9,889,276

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				
2. Intermediaries		0.0				
3. All other providers		0.0				
4. Total capitation payments	0	0.0	0		0	0
Other Payments:						
5. Fee-for-service		0.0	XXX	XXX		
6. Contractual fee payments	746,720,055	100.0	XXX	XXX	565,384,268	181,335,787
7. Bonus/withhold arrangements - fee-for-service		0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments		0.0	XXX	XXX		
9. Non-contingent salaries		0.0	XXX	XXX		
10. Aggregate cost arrangements		0.0	XXX	XXX		
11. All other payments		0.0	XXX	XXX		
12. Total other payments	746,720,055	100.0	XXX	XXX	565,384,268	181,335,787
13. Total (Line 4 plus Line 12)	746,720,055	100.0	XXX	XXX	565,384,268	181,335,787

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	26,413,061		20,215,231	6,197,830	6,197,830	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	26,413,061	0	20,215,231	6,197,830	6,197,830	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	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior year	407,061	93,042	135,571	112,902		12,171	53,375						
2. First quarter	420,864	92,888	143,683	111,584		12,497	53,551					55	6,606
3. Second quarter	423,969	93,332	146,233	109,794		13,159	53,714					122	7,615
4. Third quarter	423,322	93,687	145,409	109,041		13,547	54,007					161	7,470
5. Current year	425,159	93,734	147,035	108,537		13,856	54,234					187	7,576
6. Current year member months	5,069,901	1,119,238	1,739,331	1,321,194		157,598	645,737					1,396	85,407
Total Member Ambulatory Encounters for Year:													
7. Physician	23,199,832	1,495,865	3,347,765	18,047,777		308,425							
8. Non-physician	2,079,127	379,082	956,945	743,100									
9. Totals	25,278,959	1,874,947	4,304,710	18,790,877	0	308,425	0	0	0	0	0	0	0
10. Hospital patient days incurred	402,715	13,663	41,515	347,537									
11. Number of inpatient admissions	62,173	3,791	11,151	47,231									
12. Health premiums written	929,798,177	158,917,725	372,163,930	173,182,835		20,724,974	182,461,661						22,347,052
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	929,792,753	158,916,776	372,161,705	173,181,800		20,724,850	182,460,570						22,347,052
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	746,720,054	115,745,371	284,825,229	140,994,301		14,397,490	170,506,333						20,251,330
18. Amount incurred for provision of health care services	744,607,838	114,406,179	287,421,042	140,760,231		14,664,902	171,274,258						16,081,226

(a) For health business: number of persons insured under PPO managed care products.....286,769 and number of persons insured under indemnity only products.....138,390.

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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	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior year	407,061	93,042	135,571	112,902		12,171	53,375						
2. First quarter	420,864	92,888	143,683	111,584		12,497	53,551					55	6,606
3. Second quarter	423,969	93,332	146,233	109,794		13,159	53,714					122	7,615
4. Third quarter	423,322	93,687	145,409	109,041		13,547	54,007					161	7,470
5. Current year	425,159	93,734	147,035	108,537		13,856	54,234					187	7,576
6. Current year member months	5,069,901	1,119,238	1,739,331	1,321,194		157,598	645,737					1,396	85,407
Total Member Ambulatory Encounters for Year:													
7. Physician	23,199,832	1,495,865	3,347,765	18,047,777		308,425							
8. Non-physician	2,079,127	379,082	956,945	743,100									
9. Totals	25,278,959	1,874,947	4,304,710	18,790,877	0	308,425	0	0	0	0	0	0	0
10. Hospital patient days incurred	402,715	13,663	41,515	347,537									
11. Number of inpatient admissions	62,173	3,791	11,151	47,231									
12. Health premiums written	929,798,177	158,917,725	372,163,930	173,182,835		20,724,974	182,461,661						22,347,052
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	929,792,753	158,916,776	372,161,705	173,181,800		20,724,850	182,460,570						22,347,052
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	746,720,054	115,745,371	284,825,229	140,994,301		14,397,490	170,506,333						20,251,330
18. Amount incurred for provision of health care services	744,607,838	114,406,179	287,421,042	140,760,231		14,664,902	171,274,258						16,081,226

(a) For health business: number of persons insured under PPO managed care products.....286,769 and number of persons insured under indemnity only products.....138,390.

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year	42,687,153
2.	Increase (decrease) by adjustment:	
	2.1 Totals, Part 1, Column 11	(2,896,821)
	2.2 Totals, Part 3, Column 7	
3.	Cost of acquired (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	
4.	Cost of additions and permanent improvements:	
	4.1 Totals, Part 1, Column 14	3,275,701
	4.2 Totals, Part 3, Column 9	
5.	Total profit (loss) on sales, Part 3, Column 14	11,646
6.	Increase (decrease) by foreign exchange adjustment:	
	6.1 Totals, Part 1, Column 12	
	6.2 Totals, Part 3, Column 8	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 13	12,908
8.	Book/adjusted carrying value at end of current period	43,064,771
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	43,064,771
11.	Total nonadmitted amounts	
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	43,064,771

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year		
2.	Amount loaned during year:		
	2.1 Actual cost at time of acquisitions		
	2.2 Additional investment made after acquisitions		0
3.	Accrual of discount and mortgage interest points and commitment fees		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the year		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		0
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		0
12.	Total nonadmitted amounts		
13.	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Long-Term Invested Assets

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		(0)
2.	Cost of acquisitions during year:		
	2.1 Actual cost at time of acquisitions	58,140,087	
	2.2 Additional investment made after acquisitions		58,140,087
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		(1,723,606)
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the year		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book/adjusted carrying value of long-term invested assets at end of current period		56,416,481
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		56,416,481
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)		56,416,481

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. **U.S. Governments, Schedules D & DA (Group 1)**											
1.1 Class 1	93,014,608	109,483,828				202,498,436	64.6	182,711,128	54.8	202,498,436	
1.2 Class 2						0	0.0		0.0		
1.3 Class 3						0	0.0		0.0		
1.4 Class 4						0	0.0		0.0		
1.5 Class 5						0	0.0		0.0		
1.6 Class 6						0	0.0		0.0		
1.7 Totals	93,014,608	109,483,828	0	0	0	202,498,436	64.6	182,711,128	54.8	202,498,436	0
2. **All Other Governments, Schedules D & DA (Group 2)**											
2.1 Class 1						0	0.0	250,922	0.1		
2.2 Class 2						0	0.0		0.0		
2.3 Class 3						0	0.0		0.0		
2.4 Class 4						0	0.0		0.0		
2.5 Class 5						0	0.0		0.0		
2.6 Class 6						0	0.0		0.0		
2.7 Totals	0	0	0	0	0	0	0.0	250,922	0.1	0	0
3. **States, Territories and Possessions, etc., Guaranteed, Schedules D & DA (Group 3)**											
3.1 Class 1	4,114,798	22,659,762				26,774,560	8.5	26,196,054	7.9	26,774,560	
3.2 Class 2						0	0.0		0.0		
3.3 Class 3						0	0.0		0.0		
3.4 Class 4						0	0.0		0.0		
3.5 Class 5						0	0.0		0.0		
3.6 Class 6						0	0.0		0.0		
3.7 Totals	4,114,798	22,659,762	0	0	0	26,774,560	8.5	26,196,054	7.9	26,774,560	0
4. **Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)**											
4.1 Class 1		1,806,411				1,806,411	0.6	1,083,034	0.3	1,806,411	
4.2 Class 2						0	0.0		0.0		
4.3 Class 3						0	0.0		0.0		
4.4 Class 4						0	0.0		0.0		
4.5 Class 5						0	0.0		0.0		
4.6 Class 6						0	0.0		0.0		
4.7 Totals	0	1,806,411	0	0	0	1,806,411	0.6	1,083,034	0.3	1,806,411	0
5. **Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)**											
5.1 Class 1	4,995,897	11,519,978				16,515,875	5.3	21,312,829	6.4	16,515,875	
5.2 Class 2						0	0.0		0.0		
5.3 Class 3						0	0.0		0.0		
5.4 Class 4						0	0.0		0.0		
5.5 Class 5						0	0.0		0.0		
5.6 Class 6						0	0.0		0.0		
5.7 Totals	4,995,897	11,519,978	0	0	0	16,515,875	5.3	21,312,829	6.4	16,515,875	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusting Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. **Public Utilities (Unaffiliated), Schedules D & DA (Group 6)**											
6.1 Class 1		680,620				680,620	0.2	1,203,395	0.4	680,620	
6.2 Class 2						0	0.0		0.0		
6.3 Class 3						0	0.0		0.0		
6.4 Class 4						0	0.0		0.0		
6.5 Class 5						0	0.0		0.0		
6.6 Class 6						0	0.0		0.0		
6.7 Totals	0	680,620	0	0	0	680,620	0.2	1,203,395	0.4	680,620	0
7. **Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)**											
7.1 Class 1	12,287,223	33,524,822	689,762		218,363	46,720,170	14.9	80,042,654	24.0	46,720,170	
7.2 Class 2	3,477,218	11,005,409				14,482,627	4.6	13,318,822	4.0	14,482,627	
7.3 Class 3		2,735,999				2,735,999	0.9	5,318,977	1.6	2,735,999	
7.4 Class 4	1,398,867					1,398,867	0.4	996,983	0.3	1,398,867	
7.5 Class 5						0	0.0	816,973	0.2		
7.6 Class 6						0	0.0		0.0		
7.7 Totals	17,163,308	47,266,230	689,762	0	218,363	65,337,663	20.8	100,494,409	30.2	65,337,663	0
8. **Credit Tenant Loans, Schedules D & DA (Group 8)**											
8.1 Class 1						0	0.0		0.0		
8.2 Class 2						0	0.0		0.0		
8.3 Class 3						0	0.0		0.0		
8.4 Class 4						0	0.0		0.0		
8.5 Class 5						0	0.0		0.0		
8.6 Class 6						0	0.0		0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. **Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)**											
9.1 Class 1						0	0.0		0.0		
9.2 Class 2						0	0.0		0.0		
9.3 Class 3						0	0.0		0.0		
9.4 Class 4						0	0.0		0.0		
9.5 Class 5						0	0.0		0.0		
9.6 Class 6						0	0.0		0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. **Total Bonds Current Year**											
10.1 Class 1	114,412,526	179,675,421	689,762	0	218,363	294,996,072	94.1	XXX	XXX	294,996,072	0
10.2 Class 2	3,477,218	11,005,409	0	0	0	14,482,627	4.6	XXX	XXX	14,482,627	0
10.3 Class 3	0	2,735,999	0	0	0	2,735,999	0.9	XXX	XXX	2,735,999	0
10.4 Class 4	1,398,867	0	0	0	0	1,398,867	0.4	XXX	XXX	1,398,867	0
10.5 Class 5	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.6 Class 6	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals	119,288,611	193,416,829	689,762	0	218,363	(b) 313,613,565	100.0	XXX	XXX	313,613,565	0
10.8 Line 10.7 as a % of Col. 6	38.0	61.7	0.2	0.0	0.1	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Class 1	142,819,176	168,762,026	1,000,000		218,814	XXX	XXX	312,800,016	93.9	312,800,016	
11.2 Class 2	1,905,376	9,931,782	1,481,664			XXX	XXX	13,318,822	4.0	13,318,822	
11.3 Class 3	1,299,013	1,354,458	2,665,506			XXX	XXX	5,318,977	1.6	5,318,977	
11.4 Class 4	996,983					XXX	XXX	996,983	0.3	996,983	
11.5 Class 5	816,973					XXX	XXX	(c) 816,973	0.2	816,973	
11.6 Class 6						XXX	XXX	(c) 0	0.0		
11.7 Totals	147,837,521	180,048,266	5,147,170	0	218,814	XXX	XXX	(b) 333,251,771	100.0	333,251,771	0
11.8 Line 11.7 as a % of Col. 8	44.4	54.0	1.5	0.0	0.1	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Class 1	114,412,525	179,675,421	689,762		218,363	294,996,071	94.1	312,800,016	93.9	294,996,071	XXX
12.2 Class 2	3,477,218	11,005,409				14,482,627	4.6	13,318,822	4.0	14,482,627	XXX
12.3 Class 3		2,735,999				2,735,999	0.9	5,318,977	1.6	2,735,999	XXX
12.4 Class 4	1,398,867					1,398,867	0.4	996,983	0.3	1,398,867	XXX
12.5 Class 5						0	0.0	816,973	0.2	0	XXX
12.6 Class 6						0	0.0	0	0.0	0	XXX
12.7 Totals	119,288,610	193,416,829	689,762	0	218,363	313,613,564	100.0	333,251,771	100.0	313,613,564	XXX
12.8 Line 12.7 as a % of Col. 6	38.0	61.7	0.2	0.0	0.1	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	38.0	61.7	0.2	0.0	0.1	100.0	XXX	XXX	XXX	100.0	XXX
13. **Total Privately Placed Bonds**											
13.1 Class 1						0	0.0	0	0.0	XXX	0
13.2 Class 2						0	0.0	0	0.0	XXX	0
13.3 Class 3						0	0.0	0	0.0	XXX	0
13.4 Class 4						0	0.0	0	0.0	XXX	0
13.5 Class 5						0	0.0	0	0.0	XXX	0
13.6 Class 6						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes $.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....0 current year, $.....0 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes $.....0 current year, $.....0 prior year of bonds with 5* designations and $.....0 current year, $.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. **U.S. Governments, Schedules D & DA (Group 1)**											
1.1 Issuer Obligations	93,014,608	109,483,828				202,498,436	64.6	182,711,128	54.8	202,498,436	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
1.7 Totals	93,014,608	109,483,828	0	0	0	202,498,436	64.6	182,711,128	54.8	202,498,436	0
2. **All Other Governments, Schedules D & DA (Group 2)**											
2.1 Issuer Obligations						0	0.0	250,922	0.1		
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined						0	0.0		0.0		
2.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
2.5 Defined						0	0.0		0.0		
2.6 Other						0	0.0		0.0		
2.7 Totals	0	0	0	0	0	0	0.0	250,922	0.1	0	0
3. **States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)**											
3.1 Issuer Obligations	4,114,798	22,659,762				26,774,560	8.5	26,196,054	7.9	26,774,560	
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined						0	0.0		0.0		
3.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
3.5 Defined						0	0.0		0.0		
3.6 Other						0	0.0		0.0		
3.7 Totals	4,114,798	22,659,762	0	0	0	26,774,560	8.5	26,196,054	7.9	26,774,560	0
4. **Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)**											
4.1 Issuer Obligations		1,806,411				1,806,411	0.6	1,083,034	0.3	1,806,411	
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined						0	0.0		0.0		
4.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
4.5 Defined						0	0.0		0.0		
4.6 Other						0	0.0		0.0		
4.7 Totals	0	1,806,411	0	0	0	1,806,411	0.6	1,083,034	0.3	1,806,411	0
5. **Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)**											
5.1 Issuer Obligations	4,995,897	11,519,978				16,515,875	5.3	21,312,829	6.4	16,515,875	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined						0	0.0		0.0		
5.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
5.5 Defined						0	0.0		0.0		
5.6 Other						0	0.0		0.0		
5.7 Totals	4,995,897	11,519,978	0	0	0	16,515,875	5.3	21,312,829	6.4	16,515,875	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. **Public Utilities (Unaffiliated), Schedules D & DA (Group 6)**											
6.1 Issuer Obligations		680,620				680,620	0.2	1,203,395	0.4	680,620	
6.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined						0	0.0		0.0		
6.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
6.5 Defined						0	0.0		0.0		
6.6 Other						0	0.0		0.0		
6.7 Totals	0	680,620	0	0	0	680,620	0.2	1,203,395	0.4	680,620	0
7. **Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)**											
7.1 Issuer Obligations	17,163,309	47,266,230	689,762		218,363	65,337,664	20.8	100,494,409	30.2	65,337,664	
7.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined						0	0.0		0.0		
7.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
7.5 Defined						0	0.0		0.0		
7.6 Other						0	0.0		0.0		
7.7 Totals	17,163,309	47,266,230	689,762	0	218,363	65,337,664	20.8	100,494,409	30.2	65,337,664	0
8. **Credit Tenant Loans, Schedules D & DA (Group 8)**											
8.1 Issuer Obligations						0	0.0		0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. **Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)**											
9.1 Issuer Obligations						0	0.0		0.0		
9.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined						0	0.0		0.0		
9.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
9.5 Defined						0	0.0		0.0		
9.6 Other						0	0.0		0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. **Total Bonds Current Year**											
10.1 Issuer Obligations	119,288,612	193,416,829	689,762	0	218,363	313,613,566	100.0	XXX	XXX	313,613,566	0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	119,288,612	193,416,829	689,762	0	218,363	313,613,566	100.0	XXX	XXX	313,613,566	0
10.8 Line 10.7 as a % of Col. 6	38.0	61.7	0.2	0.0	0.1	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Issuer Obligations	147,837,521	180,048,266	5,147,170		218,814	XXX	XXX	333,251,771	100.0	333,251,771	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities						XXX	XXX	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined						XXX	XXX	0	0.0		
11.4 Other						XXX	XXX	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
11.5 Defined						XXX	XXX	0	0.0		
11.6 Other						XXX	XXX	0	0.0		
11.7 Totals	147,837,521	180,048,266	5,147,170	0	218,814	XXX	XXX	333,251,771	100.0	333,251,771	0
11.8 Line 11.7 as a % of Col. 8	44.4	54.0	1.5	0.0	0.1	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Issuer Obligations	119,288,611	193,416,830	689,762		218,363	313,613,566	100.0	333,251,771	100.0	313,613,566	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0	0	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined						0	0.0	0	0.0	0	XXX
12.4 Other						0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
12.5 Defined						0	0.0	0	0.0	0	XXX
12.6 Other						0	0.0	0	0.0	0	XXX
12.7 Totals	119,288,611	193,416,830	689,762	0	218,363	313,613,566	100.0	333,251,771	100.0	313,613,566	XXX
12.8 Line 12.7 as a % of Col. 6	38.0	61.7	0.2	0.0	0.1	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	38.0	61.7	0.2	0.0	0.1	100.0	XXX	XXX	XXX	100.0	XXX
13. **Total Privately Placed Bonds**											
13.1 Issuer Obligations						0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined						0	0.0	0	0.0	XXX	0
13.4 Other						0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
13.5 Defined						0	0.0	0	0.0	XXX	0
13.6 Other						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value December 31 of prior year	83,736,390	83,736,390			
2. Cost of short-term investments acquired	766,215,750	766,215,750			
3. Increase (decrease) by adjustment	0				
4. Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	0				
6. Consideration received on disposal of short-term investments	790,026,264	790,026,264			
7. Book/adjusted carrying value, current year	59,925,876	59,925,876	0	0	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	59,925,876	59,925,876	0	0	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	59,925,876	59,925,876	0	0	0
12. Income collected during year	4,565,496	4,565,496			
13. Income earned during year	4,982,173	4,982,173			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: 0

Sch. DB-Pt.A-Verification Between Years
NONE

Sch. DB-Pt.B-Verification Between Years
NONE

Sch. DB-Pt.C-Verification Between Years
NONE

Sch. DB-Pt.D-Verification Between Years
NONE

Sch. DB-Pt.E-Verification
NONE

Sch. DB-Pt. F-Sn. 1
NONE

Sch. DB-Pt. F-Sn. 2
NONE

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	56,905,838			4,600,481		
95442	71-0747497	04/01/1996	HMO Partners, Inc.	Little Rock, AR	ASL/A/G	1,188,037			119,769		
94358	71-0505232	10/01/2002	USAble Life	Little Rock, AR	QA/A/G	9,717,547			1,457,588		
0199999.	Total - Affiliates					67,811,422	0	0	6,177,838	0	0
0399999.	Totals					67,811,422	0	0	6,177,838	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						
76031	59-2876465	07/01/2005	Florida Combined Life Insurance Company	Jacksonville, FL	15,941,346	3,008,136
0499999.	Total - Affiliates				15,941,346	3,008,136
0699999.	Total - Accident and Health				15,941,346	3,008,136
0799999.	Totals - Life, Annuity and Accident and Health				15,941,346	3,008,136

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												
76031	59-2876465	.02/01/2005	Florida Combined Life Insurance Company	Jacksonville, FL	OTH/I	152,521						
76031	59-2876465	.07/01/2005	Florida Combined Life Insurance Company	Jacksonville, FL	OTH/G	16,754,534						
76031	59-2876465	.07/01/2005	Florida Combined Life Insurance Company	Jacksonville, FL	OTH/I	3,916,307						
0199999.	Total - Authorized General Account - Affiliates					20,823,362	0	0	0	0	0	0
Authorized General Account - Non-Affiliates												
67660	23-1305366	.01/01/2006	Pennsylvania Life Insurance Company	Lemoyne, Pennsylvania	OTH/I	7,448,273						
	20-2840526	.01/01/2006	Pharmacare Captive RE LLC	Lincoln, Rhode Island	OTH/I	7,448,273						
0299999.	Total - Authorized General Account - Non-Affiliates					14,896,546	0	0	0	0	0	0
0399999.	Total - Authorized General Account					35,719,908	0	0	0	0	0	0
0799999.	Total - Authorized and Unauthorized General Account					35,719,908	0	0	0	0	0	0
1599999.	Totals					35,719,908	0	0	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 2006	2 2005	3 2004	4 2003	5 2002
A. OPERATIONS ITEMS					
1. Premiums	35,720	8,824			
2. Title XVIII - Medicare					
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses	15,146	7,021			
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
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)	687,463,144		687,463,144
2.	Accident and health premiums due and unpaid (Line 13)	66,771,189		66,771,189
3.	Amounts recoverable from reinsurers (Line 14.1)	15,146,000	(15,146,000)	0
4.	Net credit for ceded reinsurance	XXX		0
5.	All other admitted assets (balance)	122,418,779	14,116,373	136,535,152
6.	Totals assets (Line 26)	891,799,112	(1,029,627)	890,769,485
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	104,202,734	(1,029,627)	103,173,107
8.	Accrued medical incentive pool and bonus payments (Line 2)	145,856		145,856
9.	Premiums received in advance (Line 8)	12,689,392		12,689,392
10.	Reinsurance in unauthorized companies (Line 18)			0
11.	All other liabilities (balance)	279,715,342		279,715,342
12.	Total liabilities (Line 22)	396,753,324	(1,029,627)	395,723,697
13.	Total capital and surplus (Line 31)	495,045,788	XXX	495,045,788
14.	Total liabilities, capital and surplus (Line 32)	891,799,112	(1,029,627)	890,769,485
	NET CREDIT FOR CEDED REINSURANCE			
15.	Claims unpaid	(1,029,627)		
16.	Accrued medical incentive pool	0		
17.	Premiums received in advance	0		
18.	Reinsurance recoverable on paid losses	15,146,000		
19.	Other ceded reinsurance recoverables	0		
20.	Total ceded reinsurance recoverables	14,116,373		
21.	Premiums receivable	0		
22.	Unauthorized reinsurance	0		
23.	Other ceded reinsurance payables/offsets	14,116,373		
24.	Total ceded reinsurance payables/offsets	14,116,373		
25.	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	NONE					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

SCHEDULE Y (Continued)

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					153,097,101	11,105,849			164,202,950	(1,712,114)
	71-0525643	Educational Benefits, Inc.	(219,542)				(239,806)				(459,348)	
	71-0628367	Group Service Underwriters, Inc.					(856,045)				(856,045)	
95442	71-0747497	HMO Partners, Inc.	(456,409)				(20,683,086)	(10,887,629)			(32,027,124)	4,720,250
	71-0246079	USAble Corp.	456,409								456,409	
94358	71-0505232	USAble Life	(372,658)				1,203,600	(1,168,011)			(337,069)	
	71-0653848	Select Data Services					(1,015,135)				(1,015,135)	
76031	59-2876465	Florida Combined Life Insurance Company						949,791			949,791	(3,008,136)
	27-0111456	Pinnacle Business Solutions, Inc.					(131,506,629)				(131,506,629)	
	20-2621814	Life & Speciality Ventures, LLC	592,200								592,200	
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 Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the 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

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	
9.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES
10.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
11.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
12.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
13.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	YES
	APRIL FILING	
14.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	YES
15.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	NO
16.	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:

BAR CODE:

83470200620500000

83470200620700000

83470200642000000

83470200621100000

83470200621300000

Overflow Page for Write-Ins

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. Expense Reimbursement	(259,848)	(121,276)	(1,518,263)		(1,899,387)
2505. Miscellaneous	4,932	21,714	1,470,948		1,497,594
2597. Summary of remaining write-ins for Line 25	(254,916)	(99,561)	(47,315)	0	(401,793)

Overflow Page for Write-Ins

NONE

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2006
(To Be Filed by March 1)
FOR THE STATE OF.....Arkansas

NAIC Group Code.....876
Address (City, State and Zip Code).....
Person Completing This Exhibit.....
Title.....

NAIC Company Code.....83470

Telephone Number.....

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2003				Policies Issued in 2004, 2005 & 2006			
										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	3,5	01/01/1984				Medi-Pak Plus	34,613,572	27,703,072	80.0	15,650	53,941	30,045	55.7	34
Yes	A71-MS 1/90	P	NO	3,5	01/01/1966				Medi-Pak Standard	2,058,171	1,484,774	72.1	910	34,880	18,218	52.2	20
Yes	A71-MO 1/89	P	NO	3,5	01/01/1989				Medi-Pak Lo Option	502,519	486,590	96.8	510			0.0	
Yes	71-MPA	P	NO	2,3,4,6	01/01/1992				Plan A	784,125	672,741	85.8	688	83,253	40,435	48.6	87
Yes	71-MPB	P	NO	2,3,4,6	01/01/1992				Plan B	2,982,873	2,458,000	82.4	2,073	417,556	290,963	69.7	313
Yes	71-MPC	P	NO	1,2,3,4,6	01/01/1992				Plan C	37,460,440	31,676,093	84.6	24,665	10,359,234	7,263,106	70.1	7,538
Yes	71-MPD	P	NO	2,3,4,6	01/01/1992				Plan D	18,384,609	15,326,547	83.4	11,083	267,114	183,545	68.7	184
Yes	71-MPF	P	NO	1,2,3,4,6	01/01/1992				Plan F	42,326,773	36,523,348	86.3	27,789	16,802,275	11,989,046	71.4	12,920
Yes	71-MPG	P	NO	2,3,4,6	01/01/1992				Plan G	1,574,354	1,453,354	92.3	1,367	2,261,496	1,638,803	72.5	2,191
Yes	71-MPI	P	NO	2,3,4,6	01/01/1992				Plan I	1,725,714	1,091,709	63.3	356	59,967	24,379	40.7	11
Yes	71-MPINRX 1/06	P	NO	2,3,4,6	01/01/1992				Plan INRX			0.0		251,054	243,695	97.1	147
Yes	EEPMA5-86, 870 and	P	NO	7	01/01/1992				Employer's Equitable	177,882	161,769	90.9	106			0.0	
0199999.	Total Policy Experience on Individual Policies									142,591,032	119,037,997	83.5	85,197	30,590,770	21,722,235	71.0	23,445

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..... Lockett Jean
   3.2 Contact person and phone number..... Begina Proctor 501-378-5632
4. Explain any policies identified as policy type "O".

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

MEDICARE PART D COVERAGE SUPPLEMENT

For the Year Ended December 31 2006

(To Be Filed By March 1)

	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	8,242,061	XXX		XXX	8,242,061
1.12 Without Reinsurance Coverage		XXX		XXX	0
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	0
1.2 Supplemental Benefits	525,994	XXX		XXX	525,994
2. Premiums Due and Uncollected-Change:					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage	113,781	XXX		XXX	XXX
2.12 Without Reinsurance Coverage		XXX		XXX	XXX
2.2 Supplemental Benefits	16,610	XXX		XXX	XXX
3. Unearned Premium and Advance Premium-Change:					
3.1 Standard Coverage:					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage		XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-Change:					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable	(1,447,939)	XXX		XXX	XXX
5. Earned Premiums:					
5.1 Standard Coverage:					
5.11 With Reinsurance Coverage	8,355,842	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	(1,447,939)	XXX	0	XXX	XXX
5.2 Supplemental Benefits	542,604	XXX	0	XXX	XXX
6. Total Premiums	7,450,507	XXX	0	XXX	8,768,055
7. Claims Paid:					
7.1 Standard Coverage:					
7.11 With Reinsurance Coverage	6,616,506	XXX		XXX	6,616,506
7.12 Without Reinsurance Coverage		XXX		XXX	0
7.2 Supplemental Benefits	135,009	XXX		XXX	135,009
8. Claim Reserves and Liabilities-Change:					
8.1 Standard Coverage:					
8.11 With Reinsurance Coverage	101,348	XXX		XXX	XXX
8.12 Without Reinsurance Coverage		XXX		XXX	XXX
8.2 Supplemental Benefits	1,021	XXX		XXX	XXX
9. Health Care Receivables-Change:					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage	1,492,404	XXX		XXX	XXX
9.12 Without Reinsurance Coverage		XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred:					
10.1 Standard Coverage:					
10.11 With Reinsurance Coverage	5,225,450	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
10.2 Supplemental Benefits	136,030	XXX	0	XXX	XXX
11. Total Claims	5,361,480	XXX	0	XXX	6,751,515
12. Reinsurance Coverage and Low Income Cost Sharing:					
12.1 Claims Paid - Net To Reimbursements Applied	XXX	3,428,445	XXX		3,428,445
12.2 Reimbursements Received but Not Applied-Change	XXX	8,113,396	XXX		8,113,396
12.3 Reimbursements Receivable-Change	XXX		XXX		XXX
12.4 Health Care Receivables-Change	XXX		XXX		XXX
13. Aggregate Policy Reserves-Change					XXX
14. Expenses Paid	3,777,029	XXX		XXX	3,777,029
15. Expenses Incurred	3,816,495	XXX		XXX	XXX
16. Underwriting Gain/Loss	(1,727,468)	XXX	0	XXX	XXX
17. Cash Flow Results	XXX	XXX	XXX	XXX	2,924,462

83470200620700000

PROPERTY/CASUALTY SUPPLEMENTS

NONE

TO BE FILED ON OR BEFORE MARCH 1

For the Year Ended December 31, 2006

Of the.....Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company

ADDRESS .....Little Rock AR 72201

NAIC Group Code.....876 NAIC Company Code.....83470 Employer's ID Number.....71-0226428

Sch. F-Pt. 1
NONE

Sch. F-Pt. 3
NONE

Sch. P-Pt. 1-Summary
NONE

Sch. P-Pt. 1A
NONE

Sch. P-Pt. 1B
NONE

Sch. P-Pt. 1C
NONE

Sch. P-Pt. 1D
NONE

Sch. P-Pt. 1E
NONE

Sch. P-Pt. 1F-Sn. 1
NONE

Sch. P-Pt. 1F-Sn. 2
NONE

Sch. P-Pt. 1G
NONE

Sch. P-Pt. 1H-Sn. 1
NONE

Sch. P-Pt. 1H-Sn. 2
NONE

Sch. P-Pt. 1I
NONE

Sch. P-Pt. 1J
NONE

Sch. P-Pt. 1K
NONE

Sch. P-Pt. 1L
NONE

Sch. P-Pt. 1M
NONE

Sch. P-Pt. 1N
NONE

Sch. P-Pt. 1O
NONE

Sch. P-Pt. 1P
NONE

Sch. P-Pt. 1R-Sn. 1
NONE

Sch. P-Pt. 1R-Sn. 2
NONE

Sch. P-Pt. 1S
NONE

Sch. P-Pt. 2-Summary
NONE

Sch. P-Pt. 2A
NONE

Sch. P-Pt. 2B
NONE

Sch. P-Pt. 2C
NONE

Sch. P-Pt. 2D
NONE

Sch. P-Pt. 2E
NONE

Sch. P-Pt. 2F-Sn. 1
NONE

Sch. P-Pt. 2F-Sn. 2
NONE

Sch. P-Pt. 2G
NONE

Sch. P-Pt. 2H-Sn. 1
NONE

Sch. P-Pt. 2H-Sn. 2
NONE

Sch. P-Pt. 2I
NONE

Sch. P-Pt. 2J
NONE

Sch. P-Pt. 2K
NONE

Sch. P-Pt. 2L
NONE

Sch. P-Pt. 2M
NONE

Sch. P-Pt. 2N
NONE

Sch. P-Pt. 2O
NONE

Sch. P-Pt. 2P
NONE

Sch. P-Pt. 2R-Sn. 1
NONE

Sch. P-Pt. 2R-Sn. 2
NONE

Sch. P-Pt. 2S
NONE

Supplement for the year 2006 of the **Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company**

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

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

NAIC Group Code.....876 NAIC Company Code....83470

BUSINESS IN GRAND TOTAL DURING THE YEAR

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1 Direct Premiums Written	2 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A&H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 All other A & H (b)												
15.7 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17. Other liability												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0
34. TOTALS (a)	0	0	0	0	0	0	0	0	0	0	0	0

NONE

PS32.GT

DETAILS OF WRITE-INS

3301.												
3302.												
3303.												
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Finance and service charges not included in Lines 1 to 34 $.....0.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

Overflow Page for Write-Ins

NONE