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ANNUAL STATEMENT

For the Year Ending December 31, 2006

of the Condition and Affairs of the

HMO Partners, Inc

NAIC Group Code.....876, 876 (Current Period) (Prior Period) NAIC Company Code..... 95442 Employer's ID Number..... 71-0747497

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

Licensed as Business Type..... Is HMO Federally Qualified? Yes [X] No [ ]

Incorporated/Organized..... November 8, 1993 Commenced Business..... January 1, 1994

Statutory Home Office	320 West Capitol….. Little Rock ..... AR ..... 72203-8069 *(Street and Number) (City, State and Zip Code)*	
Main Administrative Office	320 West Capitol….. Little Rock ..... AR ..... 72203-8069 *(Street and Number) (City, State and Zip Code)*	501-221-1800 *(Area Code) (Telephone Number)*
Mail Address	320 West Capitol….. Little Rock ..... AR ..... 72203-8069 *(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	healthadvantage-hmo.com	
Statutory Statement Contact	Scott Bradley Winter *(Name)*	501-399-3951 *(Area Code) (Telephone Number) (Extension)*
	sbwinter@arkbluecross.com *(E-Mail Address)*	501-378-3258 *(Fax Number)*
Policyowner Relations Contact	320 West Capitol….. Little Rock ..... AR ..... 72203-8069 *(Street and Number) (City, State and Zip Code)*	800-843-1329 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

Name	Title	Name	Title
1. David Frank Bridges	President	2. Steven James Short	Vice President/CFO
3. Scott Bradley Winter	Assistant Treasurer	4. Kathleen O'Dea Ryan	Vice President

OTHER

James Sterling Adamson Jr. MD	Chairman	Allen Frances Smith	Vice Chairman
Russell Doyne Harrington Jr.	Secretary	Robert Lee Shoptaw	Treasurer
James Robert Bailey	Vice President	Clement Wade Fox MD	Assistant Secretary

DIRECTORS OR TRUSTEES

James Sterling Adamson Jr. MD	Sharon Kay Allen	Richard Allen Calhoun Jr. MD	David Warren Cobb R.PH.
Richard Loyd Gore DDS	Russell Doyne Harrington Jr.	Randal Freeland Hundley MD	Nikita Jean Wilson RN
William Patton Phillips MD	Robert Lee Shoptaw	Allen Frances Smith	Michael David Voss
Paul Mark White	James Robert Bailey	David Frank Bridges	Michael Wayne Brown
James Bruce Hazlewood MD	Merlin Moody Hagan	Clement Wade Fox MD	Robert Lee Trammel

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

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

(Signature)	(Signature)	(Signature)
David Frank Bridges	Steven James Short	Scott Bradley Winter
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Vice President/CFO	Assistant Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This _____ day of _____

a. Is this an original filing? Yes [X] No [ ]

b. If no 1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

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	474,482	22,623				497,105
0299999. Total group	474,482	22,623	0	0	0	497,105
0599999. Accident and health premiums due and unpaid (Page 2, Line 13)	474,482	22,623	0	0	0	497,105

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	131,597	131,597	131,597	198,158	198,158	394,791
0199999. Total Pharmaceutical Rebate Receivables	131,597	131,597	131,597	198,158	198,158	394,791
Other Receivables						
0699998. Other Receivables Not Listed Individually	109,240					109,240
0699999. Total Other Receivables	109,240	0	0	0	0	109,240
0799999. Total Health Care Receivables	240,837	131,597	131,597	198,158	198,158	504,031

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	2,604,685	272,837	13,743	12,000		2,903,265
0499999. Subtotals	2,604,685	272,837	13,743	12,000	0	2,903,265
0599999. Unreported claim and other claim reserves						7,776,971
0699999. Total amounts withheld						7,918,367
0799999. Total claims unpaid						18,598,603

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							
Arkansas Blue Cross Blue Shield	1,050,923					1,050,923	
USAble Corporation	(616)					(616)	
0199999. Individually listed receivables	1,050,307	0	0	0	0	1,050,307	0
0399999. Total gross amounts receivable	1,050,307	0	0	0	0	1,050,307	0

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				
Arkansas Blue Cross Blue Shield		5,483,922	5,483,922	
USAble Life		57,104	57,104	
AHIN		10,626	10,626	
Pinnacle Business Solutions		683	683	
0199999. Individually listed payables		5,552,335	5,552,335	0
0399999. Total gross payables		5,552,335	5,552,335	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	70,240	0.1	788	1.4	70,240	
2. Intermediaries		0.0				
3. All other providers		0.0				
4. Total capitation payments	70,240	0.1	788	1.4	70,240	0
Other Payments:						
5. Fee-for-service	2,422,968	2.1	XXX	XXX		2,422,968
6. Contractual fee payments		0.0	XXX	XXX		
7. Bonus/withhold arrangements - fee-for-service		0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	110,642,084	97.8	XXX	XXX	110,642,084	
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	113,065,052	99.9	XXX	XXX	110,642,084	2,422,968
13. Total (Line 4 plus Line 12)	113,135,292	100.0	XXX	XXX	110,712,324	2,422,968

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	3,718,259		3,718,259			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	3,718,259	0	3,718,259	0	0	0

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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....HMO Partners, Inc 2. Little Rock, AR

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

NAIC Group Code.....876

NAIC Company Code.....95442

	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	51,965		51,965										
2. First quarter	53,274		53,274										
3. Second quarter	54,519		54,519										
4. Third quarter	55,979		55,979										
5. Current year	57,522		57,522										
6. Current year member months	657,413		657,413										
Total Member Ambulatory Encounters for Year:													
7. Physician	39,205		39,205										
8. Non-physician	53,265		53,265										
9. Totals	92,470	0	92,470	0	0	0	0	0	0	0	0	0	0
10. Hospital patient days incurred	15,005		15,005										
11. Number of inpatient admissions	4,171		4,171										
12. Health premiums written	147,673,278		147,673,278										
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	0												
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	113,135,292		113,135,292										
18. Amount incurred for provision of health care services	110,220,052		110,220,052										

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....HMO Partners, Inc 2. Little Rock, AR

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

NAIC Group Code.....876

NAIC Company Code.....95442

	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	51,965		51,965										
2. First quarter	53,274		53,274										
3. Second quarter	54,519		54,519										
4. Third quarter	55,979		55,979										
5. Current year	57,522		57,522										
6. Current year member months	657,413		657,413										
Total Member Ambulatory Encounters for Year:													
7. Physician	39,205		39,205										
8. Non-physician	53,265		53,265										
9. Totals	92,470	0	92,470	0	0	0	0	0	0	0	0	0	0
10. Hospital patient days incurred	15,005		15,005										
11. Number of inpatient admissions	4,171		4,171										
12. Health premiums written	147,673,278		147,673,278										
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	0												
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	113,135,292		113,135,292										
18. Amount incurred for provision of health care services	110,220,052		110,220,052										

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		
2.	Increase (decrease) by adjustment:		
	2.1 Totals, Part 1, Column 11		
	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		
	4.2 Totals, Part 3, Column 9		
5.	Total profit (loss) on sales, Part 3, Column 14		
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		
8.	Book/adjusted carrying value at end of current period		0
9.	Total valuation allowance		
10.	Subtotal (Lines 8 plus 9)		0
11.	Total nonadmitted amounts		
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		0

NONE

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		
2.	Cost of acquisitions during year:		
	2.1 Actual cost at time of acquisitions		
	2.2 Additional investment made after acquisitions		0
3.	Accrual of discount		
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/adjusted carrying value of long-term invested assets 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 long-term invested assets at end of current period (Page 2, Line 7, Column 3)		0

NONE

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	25,298,152	19,375,918				44,674,070	67.5	37,145,719	62.3	44,674,070	
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	25,298,152	19,375,918	0	0	0	44,674,070	67.5	37,145,719	62.3	44,674,070	0
2. **All Other Governments, Schedules D & DA (Group 2)**											
2.1 Class 1						0	0.0		0.0		
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	0	0.0	0	0
3. **States, Territories and Possessions, etc., Guaranteed, Schedules D & DA (Group 3)**											
3.1 Class 1	966,988	4,044,819				5,011,807	7.6	4,337,453	7.3	5,011,807	
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	966,988	4,044,819	0	0	0	5,011,807	7.6	4,337,453	7.3	5,011,807	0
4. **Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)**											
4.1 Class 1						0	0.0		0.0		
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	0	0	0	0	0	0.0	0	0.0	0	0
5. **Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)**											
5.1 Class 1		4,192,810				4,192,810	6.3	4,912,879	8.2	4,192,810	
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	0	4,192,810	0	0	0	4,192,810	6.3	4,912,879	8.2	4,192,810	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						0	0.0	501,731	0.8		
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	0	0	0	0	0	0.0	501,731	0.8	0	0
7. **Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)**											
7.1 Class 1	5,660,117	4,432,801	256,949			10,349,867	15.6	10,323,176	17.3	10,349,867	
7.2 Class 2		1,559,824				1,559,824	2.4	1,063,365	1.8	1,559,824	
7.3 Class 3						0	0.0	1,386,192	2.3		
7.4 Class 4	395,090					395,090	0.6		0.0	395,090	
7.5 Class 5						0	0.0		0.0		
7.6 Class 6						0	0.0		0.0		
7.7 Totals	6,055,207	5,992,625	256,949	0	0	12,304,781	18.6	12,772,733	21.4	12,304,781	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	31,925,257	32,046,348	256,949	0	0	64,228,554	97.0	XXX	XXX	64,228,554	0
10.2 Class 2	0	1,559,824	0	0	0	1,559,824	2.4	XXX	XXX	1,559,824	0
10.3 Class 3	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	395,090	0	0	0	0	395,090	0.6	XXX	XXX	395,090	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	32,320,347	33,606,172	256,949	0	0	(b) 66,183,468	100.0	XXX	XXX	66,183,468	0
10.8 Line 10.7 as a % of Col. 6	48.8	50.8	0.4	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Class 1	21,123,007	36,097,950				XXX	XXX	57,220,957	95.9	57,220,957	
11.2 Class 2		1,063,365				XXX	XXX	1,063,365	1.8	1,063,365	
11.3 Class 3	999,204	386,988				XXX	XXX	1,386,192	2.3	1,386,192	
11.4 Class 4						XXX	XXX	0	0.0		
11.5 Class 5						XXX	XXX	(c) 0	0.0		
11.6 Class 6						XXX	XXX	(c) 0	0.0		
11.7 Totals	22,122,211	37,548,303	0	0	0	XXX	XXX	(b) 59,670,514	100.0	59,670,514	0
11.8 Line 11.7 as a % of Col. 8	37.1	62.9	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Class 1	31,925,257	32,046,347	256,949			64,228,553	97.0	57,220,957	95.9	64,228,553	XXX
12.2 Class 2		1,559,824				1,559,824	2.4	1,063,365	1.8	1,559,824	XXX
12.3 Class 3						0	0.0	1,386,192	2.3	0	XXX
12.4 Class 4	395,090					395,090	0.6	0	0.0	395,090	XXX
12.5 Class 5						0	0.0	0	0.0	0	XXX
12.6 Class 6						0	0.0	0	0.0	0	XXX
12.7 Totals	32,320,347	33,606,171	256,949	0	0	66,183,467	100.0	59,670,514	100.0	66,183,467	XXX
12.8 Line 12.7 as a % of Col. 6	48.8	50.8	0.4	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	48.8	50.8	0.4	0.0	0.0	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	25,298,152	19,375,918				44,674,070	67.5	37,145,719	62.3	44,674,070	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
1.7 Totals	25,298,152	19,375,918	0	0	0	44,674,070	67.5	37,145,719	62.3	44,674,070	0
2. **All Other Governments, Schedules D & DA (Group 2)**											
2.1 Issuer Obligations						0	0.0		0.0		
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	0	0.0	0	0
3. **States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)**											
3.1 Issuer Obligations	966,988	4,044,819				5,011,807	7.6	4,337,453	7.3	5,011,807	
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	966,988	4,044,819	0	0	0	5,011,807	7.6	4,337,453	7.3	5,011,807	0
4. **Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)**											
4.1 Issuer Obligations						0	0.0		0.0		
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	0	0	0	0	0	0.0	0	0.0	0	0
5. **Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)**											
5.1 Issuer Obligations		4,192,810				4,192,810	6.3	4,912,879	8.2	4,192,810	
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	0	4,192,810	0	0	0	4,192,810	6.3	4,912,879	8.2	4,192,810	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						0	0.0	501,731	0.8		
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	0	0	0	0	0	0.0	501,731	0.8	0	0
7. **Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)**											
7.1 Issuer Obligations	6,055,207	5,992,625	256,949			12,304,781	18.6	12,772,733	21.4	12,304,781	
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	6,055,207	5,992,625	256,949	0	0	12,304,781	18.6	12,772,733	21.4	12,304,781	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	32,320,347	33,606,172	256,949	0	0	66,183,468	100.0	XXX	XXX	66,183,468	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	32,320,347	33,606,172	256,949	0	0	66,183,468	100.0	XXX	XXX	66,183,468	0
10.8 Line 10.7 as a % of Col. 6	48.8	50.8	0.4	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Issuer Obligations	22,122,211	37,548,303				XXX	XXX	59,670,514	100.0	59,670,514	
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	22,122,211	37,548,303	0	0	0	XXX	XXX	59,670,514	100.0	59,670,514	0
11.8 Line 11.7 as a % of Col. 8	37.1	62.9	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Issuer Obligations	32,320,346	33,606,171	256,949			66,183,466	100.0	59,670,514	100.0	66,183,466	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	32,320,346	33,606,171	256,949	0	0	66,183,466	100.0	59,670,514	100.0	66,183,466	XXX
12.8 Line 12.7 as a % of Col. 6	48.8	50.8	0.4	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	48.8	50.8	0.4	0.0	0.0	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	16,414,269	16,414,269			
2. Cost of short-term investments acquired	58,855,610	58,855,610			
3. Increase (decrease) by adjustment	0				
4. Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	92,821	92,821			
6. Consideration received on disposal of short-term investments	51,957,878	51,957,878			
7. Book/adjusted carrying value, current year	23,404,822	23,404,822	0	0	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	23,404,822	23,404,822	0	0	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	23,404,822	23,404,822	0	0	0
12. Income collected during year	467,099	467,099			
13. Income earned during year	612,985	612,985			

(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

Sch. S-Pt. 1-Sn. 2
NONE

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						
83470	71-0226428	01/01/1996	Arkansas Blue Cross Blue Shield	Little Rock, AR	119,769	4,600,481
0499999.	Total - Affiliates				119,769	4,600,481
0699999.	Total - Accident and Health				119,769	4,600,481
0799999.	Totals - Life, Annuity and Accident and Health				119,769	4,600,481

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												
83470	71-0226428	01/01/1996	Arkansas Blue Cross Blue Shield	Little Rock, AR	OTH/A/G	56,905,838						
83470	71-0226428	01/01/1996	Arkansas Blue Cross Blue Shield	Little Rock, AR	ASL/A/G	1,188,038						
0199999.	Total - Authorized General Account - Affiliates					58,093,876	0	0	0	0	0	0
0399999.	Total - Authorized General Account					58,093,876	0	0	0	0	0	0
0799999.	Total - Authorized and Unauthorized General Account					58,093,876	0	0	0	0	0	0
1599999.	Totals					58,093,876	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	58,094	52,309	60,611	90,647	101,614
2. Title XVIII - Medicare					916
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses	41,507	35,521	43,039	66,260	72,304
B. BALANCE SHEET ITEMS					
6. Premiums receivable	1,022	958	1,967	2,075	1,340
7. Claims payable	4,600	4,478	5,175	5,990	8,937
8. Reinsurance recoverable on paid losses	120	193	638	708	1,172
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)	89,407,246		89,407,246
2.	Accident and health premiums due and unpaid (Line 13)	497,104	916,572	1,413,676
3.	Amounts recoverable from reinsurers (Line 14.1)	119,769	(119,769)	0
4.	Net credit for ceded reinsurance	XXX		0
5.	All other admitted assets (balance)	16,762,359	3,803,678	20,566,037
6.	Totals assets (Line 26)	106,786,478	4,600,481	111,386,959
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	13,998,123	4,600,481	18,598,604
8.	Accrued medical incentive pool and bonus payments (Line 2)			0
9.	Premiums received in advance (Line 8)	1,384,182		1,384,182
10.	Reinsurance in unauthorized companies (Line 18)			0
11.	All other liabilities (balance)	25,218,933		25,218,933
12.	Total liabilities (Line 22)	40,601,238	4,600,481	45,201,719
13.	Total capital and surplus (Line 31)	66,185,240	XXX	66,185,240
14.	Total liabilities, capital and surplus (Line 32)	106,786,478	4,600,481	111,386,959
	NET CREDIT FOR CEDED REINSURANCE			
15.	Claims unpaid	4,600,481		
16.	Accrued medical incentive pool	0		
17.	Premiums received in advance	0		
18.	Reinsurance recoverable on paid losses	119,769		
19.	Other ceded reinsurance recoverables	0		
20.	Total ceded reinsurance recoverables	4,720,250		
21.	Premiums receivable	916,572		
22.	Unauthorized reinsurance	0		
23.	Other ceded reinsurance payables/offsets	3,803,678		
24.	Total ceded reinsurance payables/offsets	4,720,250		
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						0
28.	Nebraska NE						0
29.	Nevada NV						0
30.	New Hampshire NH						0
31.	New Jersey NJ						0
32.	New Mexico NM						0
33.	New York NY						0
34.	North Carolina NC						0
35.	North Dakota ND						0
36.	Ohio OH						0
37.	Oklahoma OK						0
38.	Oregon OR						0
39.	Pennsylvania PA						0
40.	Rhode Island RI						0
41.	South Carolina SC						0
42.	South Dakota SD						0
43.	Tennessee TN						0
44.	Texas TX						0
45.	Utah UT						0
46.	Vermont VT						0
47.	Virginia VA						0
48.	Washington WA						0
49.	West Virginia WV						0
50.	Wisconsin WI						0
51.	Wyoming WY						0
52.	American Samoa AS						0
53.	Guam GU						0
54.	Puerto Rico PR						0
55.	US Virgin Islands VI						0
56.	Northern Mariana Islands MP						0
57.	Canada CN						0
58.	Aggregate Other Alien OT						0
59.	Totals	0	0	0	0	0	0

NONE

SCHEDULE Y (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?	NO
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?	NO
	APRIL FILING	
14.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
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:

95442200636000000
95442200620500000
95442200620700000
95442200642000000
95442200636500000
95442200633000000
95442200621100000
95442200621300000

Overflow Page
NONE

Overflow Page
NONE

95442200620700000

PROPERTY/CASUALTY SUPPLEMENTS

NONE

TO BE FILED ON OR BEFORE MARCH 1

For the Year Ended December 31, 2006

Of the.....HMO Partners, Inc

ADDRESS .....Little Rock AR 72203-8069

NAIC Group Code.....876 NAIC Company Code.....95442 Employer's ID Number.....71-0747497

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 **HMO Partners, Inc**

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

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

NAIC Group Code.....876 NAIC Company Code....95442

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