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ANNUAL STATEMENT

For the Year Ending December 31, 2007

OF THE CONDITION AND AFFAIRS OF THE

QCA Health Plan, Inc.

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 95448 Employer's ID Number 71-0794605

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

Country of Domicile United States of America

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

Incorporated/Organized 04/08/1996 Commenced Business 07/31/1996

Statutory Home Office 10825 Financial Centre Parkway, Suite 400 (Street and Number), Little Rock, AR 72211 (City or Town, State and Zip Code)

Main Administrative Office 10825 Financial Centre Parkway, Suite 400 (Street and Number)
LIttle Rock, AR 72211 (City or Town, State and Zip Code) (501)228-7111 (Area Code) (Telephone Number)

Mail Address 10825 Financial Centre Parkway, Suite 400 (Street and Number or P.O. Box), Little Rock, AR 72211 (City or Town, State and Zip Code)

Primary Location of Books and Records 10825 Financial Centre Parkway (Street and Number)
Little Rock, AR 72211 (City or Town, State and Zip Code) (501)228-7111 (Area Code) (Telephone Number)

Internet Website Address www.qcark.com

Statutory Statement Contact Randall Crow (Name) (501)219-5109 (Area Code)(Telephone Number)(Extension)
randall.crow@qcark.com (E-Mail Address) (501)228-0135 (Fax Number)

OFFICERS

Name	Title
Michael Edward Stock	President
Randall Alvin Crow	Secretary
Michael Edward Stock	Treasurer

OTHERS

Miles Haley Wilson, Vice President/CIO-I.T.
Roger Keeney Howe M.D.,MMM, Vice President - Medical Affairs
Betty Jo Tatum-Himes, Vice President - Sales & Marketing #
James W. Couch J.D., Chief Compliance Officer #
Joni Self Daniels, Vice President - Operations

DIRECTORS OR TRUSTEES

Richard Allen Pierson
Buford Joseph Suffridge DDS, MS,PA
A. David Hall M.D.
Barbara Garner Williams RN, PhD
Pamela Jean Stoyanoff
Patricia Ellen Gorman
Jospeh Patrick Searcy
Charles W. Smith M.D.
Jospeh Maurice Elser M.D.
James Knox Hendren PhD

State of Arkansas
County of Pulaski ss

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

(Signature)	(Signature)	(Signature)
Michael Edward Stock	Randall Alvin Crow	Michael Edward Stock
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2008

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 _____

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

Martin Fiser M.D.
Harold Jackson Lassiter Jr.

ASSETS

		Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	13,445,246		13,445,246	13,674,061
2.	Stocks (Schedule D)				
	2.1 Preferred stocks				
	2.2 Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens				
	3.2 Other than first liens				
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $.....0 encumbrances)				
	4.2 Properties held for the production of income (less $.....0 encumbrances)				
	4.3 Properties held for sale (less $.....0 encumbrances)				
5.	Cash ($.....14,695,031 Schedule E Part 1), cash equivalents ($.....0 Schedule E Part 2) and short-term investments ($.....0 Schedule DA)	14,695,031		14,695,031	9,670,803
6.	Contract loans (including $.....0 premium notes)				
7.	Other invested assets (Schedule BA)	5,484		5,484	5,261
8.	Receivables for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	28,145,761		28,145,761	23,350,125
11.	Title plants less $.....0 charged off (for Title insurers only)				
12.	Investment income due and accrued	183,735		183,735	154,337
13.	Premiums and considerations				
	13.1 Uncollected premiums and agents' balances in the course of collection	292,035		292,035	277,166
	13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $.....0 earned but unbilled premiums)				
	13.3 Accrued retrospective premiums				
14.	Reinsurance:				
	14.1 Amounts recoverable from reinsurers	400,665		400,665	251,425
	14.2 Funds held by or deposited with reinsured companies				
	14.3 Other amounts receivable under reinsurance contracts				
15.	Amounts receivable relating to uninsured plans				
16.1	Current federal and foreign income tax recoverable and interest thereon				1,893
16.2	Net deferred tax asset	814,000		814,000	562,000
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software				
19.	Furniture and equipment, including health care delivery assets ($.....0)				
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates	511,066		511,066	254,746
22.	Health care ($.....325,102) and other amounts receivable	325,102	325,102		
23.	Aggregate write-ins for other than invested assets	192,227	29,750	162,477	
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	30,864,591	354,852	30,509,739	24,851,692
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	30,864,591	354,852	30,509,739	24,851,692
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	Prepaid Admin Contract	29,750	29,750		
2302.	State of Arkansas, CHIP deduction	162,477		162,477	
2303.	rounding				
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	192,227	29,750	162,477	

LIABILITIES, CAPITAL AND SURPLUS

		Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1.	Claims unpaid (less $.....0 reinsurance ceded)	6,130,258	673,580	6,803,838	6,839,899
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	58,045		58,045	50,171
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	2,340,601		2,340,601	966,864
9.	General expenses due or accrued	1,357,144		1,357,144	1,073,645
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses))	20,164		20,164	
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	751,551		751,551	312,501
16.	Payable for securities				
17.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured plans	1,709,062		1,709,062	667,587
21.	Aggregate write-ins for other liabilities (including $.....0 current)				(2)
22.	Total liabilities (Lines 1 to 21)	12,366,825	673,580	13,040,405	9,910,665
23.	Aggregate write-ins for special surplus funds	XXX	XXX		
24.	Common capital stock	XXX	XXX	1,553	1,553
25.	Preferred capital stock	XXX	XXX	25,500,046	25,500,046
26.	Gross paid in and contributed surplus	XXX	XXX		
27.	Surplus notes	XXX	XXX		
28.	Aggregate write-ins for other than special surplus funds	XXX	XXX		
29.	Unassigned funds (surplus)	XXX	XXX	(8,031,905)	(10,560,212)
30.	Less treasury stock, at cost:				
	30.1 .....0 shares common (value included in Line 24 $.....0)	XXX	XXX	360	360
	30.2 .....0 shares preferred (value included in Line 25 $.....0)	XXX	XXX		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	17,469,334	14,941,027
32.	Total Liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	30,509,739	24,851,692
DETAILS OF WRITE-INS					
2101.	rounding				(2)
2102.					
2103.					
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				(2)
2301.		XXX	XXX		
2302.		XXX	XXX		
2303.		XXX	XXX		
2398.	Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX		
2801.		XXX	XXX		
2802.		XXX	XXX		
2803.		XXX	XXX		
2898.	Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1.	Member Months	X X X	230,223	243,317
2.	Net premium income (including $.....0 non-health premium income)	X X X	58,273,196	60,478,211
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of $.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	58,273,196	60,478,211
Hospital and Medical:				
9.	Hospital/medical benefits	3,666,979	37,040,189	40,797,961
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area	255,702	2,582,853	2,651,626
13.	Prescription drugs		8,876,413	9,913,438
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)	3,922,681	48,499,455	53,363,025
Less:				
17.	Net reinsurance recoveries		946,749	593,679
18.	Total hospital and medical (Lines 16 minus 17)	3,922,681	47,552,706	52,769,346
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....2,553,250 cost containment expenses		3,623,679	2,500,794
21.	General administrative expenses		6,027,305	5,144,766
22.	Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)	3,922,681	57,203,690	60,414,906
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	1,069,506	63,305
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,244,262	1,089,437
26.	Net realized capital gains (losses) less capital gains tax of $.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		1,244,262	1,089,437
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses		(3)	(215,521)
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	2,313,765	937,221
31.	Federal and foreign income taxes incurred	X X X	34,212	13,557
32.	Net income (loss) (Lines 30 minus 31)	X X X	2,279,553	923,664
DETAILS OF WRITE-INS				
0601.		X X X		
0602.		X X X		
0603.		X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.		X X X		
0702.		X X X		
0703.		X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	Loss on issuance of Series D preferred Stock			(215,520)
2902.	rounding		(3)	(1)
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		(3)	(215,521)

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL & SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	14,941,027	13,621,771
34.	Net income or (loss) from Line 32	2,279,553	923,664
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $.....0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	252,000	64,000
39.	Change in nonadmitted assets	(3,247)	116,073
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		(17,210,808)
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in		25,500,046
	44.2 Transferred from surplus (Stock Dividend)		
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in		(8,123,807)
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	1	50,088
48.	Net change in capital and surplus (Lines 34 to 47)	2,528,307	1,319,256
49.	Capital and surplus end of reporting year (Line 33 plus 48)	17,469,334	14,941,027
DETAILS OF WRITE-INS			
4701.	Rounding	1	(2)
4702.	Adjustment to Retained Earnings on Debt for Stock conversion		(165,430)
4703.	Loss on issuance of Series D preferred stock		215,520
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	1	50,088

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	59,632,064	59,895,442
2.	Net investment income	1,182,641	1,006,629
3.	Miscellaneous income	26,503	116,073
4.	Total (Lines 1 through 3)	60,841,208	61,018,144
5.	Benefit and loss related payments	47,738,007	54,339,478
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	8,318,137	8,396,243
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	12,155	9,977
10.	Total (Lines 5 through 9)	56,068,299	62,745,698
11.	Net cash from operations (Line 4 minus 10)	4,772,909	(1,727,554)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	8,500,000	5,000,000
	12.2 Stocks		
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds		1,000,000
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	8,500,000	6,000,000
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	8,238,961	4,699,197
	13.2 Stocks		
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		
	13.6 Miscellaneous applications	223	175
	13.7 Total investments acquired (Lines 13.1 to 13.6)	8,239,184	4,699,372
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	260,816	1,300,628
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(9,497)	89,832
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(9,497)	89,832
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	5,024,228	(337,094)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	9,670,803	10,007,897
	19.2 End of year (Line 18 plus Line 19.1)	14,695,031	9,670,803

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

20.0001			

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1.	Net premium income	58,273,196	58,273,196								
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of $.....0 medical expenses)										XXX
4.	Risk revenue										XXX
5.	Aggregate write-ins for other health care related revenues										XXX
6.	Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7.	Total revenues (Lines 1 to 6)	58,273,196	58,273,196								
8.	Hospital/medical benefits	37,040,189	37,040,189								XXX
9.	Other professional services										XXX
10.	Outside referrals										XXX
11.	Emergency room and out-of-area	2,582,853	2,582,853								XXX
12.	Prescription drugs	8,876,413	8,876,413								XXX
13.	Aggregate write-ins for other hospital and medical										XXX
14.	Incentive pool, withhold adjustments and bonus amounts										XXX
15.	Subtotal (Lines 8 to 14)	48,499,455	48,499,455								XXX
16.	Net reinsurance recoveries	946,749	946,749								XXX
17.	Total hospital and medical (Lines 15 minus 16)	47,552,706	47,552,706								XXX
18.	Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19.	Claims adjustment expenses including $.....2,553,250 cost containment expenses	3,623,679	3,623,679								
20.	General administrative expenses	6,027,305	6,027,305								
21.	Increase in reserves for accident and health contracts										XXX
22.	Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23.	Total underwriting deductions (Lines 17 to 22)	57,203,690	57,203,690								
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	1,069,506	1,069,506								
DETAILS OF WRITE-INS											
0501.											XXX
0502.											XXX
0503.											XXX
0598.	Summary of remaining write-ins for Line 5 from overflow page										XXX
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										XXX
0601.			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698.	Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301.											XXX
1302.											XXX
1303.											XXX
1398.	Summary of remaining write-ins for Line 13 from overflow page										XXX
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	59,763,842		1,490,646	58,273,196
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid				
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	59,763,842		1,490,646	58,273,196
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	59,763,842		1,490,646	58,273,196

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	48,658,253	48,658,253								
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	797,509	797,509								
1.4 Net	47,860,744	47,860,744								
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	6,803,838	6,803,838								
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	6,803,838	6,803,838								
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	122,737	122,737								
7. Amounts recoverable from reinsurers December 31, current year	400,665	400,665								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	6,839,899	6,839,899								
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	6,839,899	6,839,899								
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	48,499,455	48,499,455								
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	1,198,174	1,198,174								
12.4 Net	47,301,281	47,301,281								
13. Incurred medical incentive pools and bonuses										

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	1,718,377	1,718,377								
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	1,718,377	1,718,377								
2. Incurred but Unreported:										
2.1 Direct	5,080,466	5,080,466								
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	5,080,466	5,080,466								
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	4,995	4,995								
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	4,995	4,995								
4. TOTALS										
4.1 Direct	6,803,838	6,803,838								
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	6,803,838	6,803,838								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	4,316,972	43,394,532	1,347	6,802,491	4,318,319	6,839,899
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	4,316,972	43,394,532	1,347	6,802,491	4,318,319	6,839,899
10. Healthcare receivables (a)		725,767				603,030
11. Other non-health						
12. Medical incentive pool and bonus amounts						
13. TOTALS (Lines 9 - 10 + 11 + 12)	4,316,972	42,668,765	1,347	6,802,491	4,318,319	6,236,869

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	10,188	45			
2. 2003	50,589	56,702	56,682	56,650	56,650
3. 2004	XXX	42,820	48,071	48,074	48,071
4. 2005	XXX	XXX	47,624	53,269	53,352
5. 2006	XXX	XXX	XXX	48,608	52,846
6. 2007	XXX	XXX	XXX	XXX	43,395

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	10,188	45			
2. 2003	59,694	56,742	56,682	56,650	56,650
3. 2004	XXX	51,620	48,071	48,074	48,071
4. 2005	XXX	XXX	55,783	53,297	53,352
5. 2006	XXX	XXX	XXX	55,420	52,847
6. 2007	XXX	XXX	XXX	XXX	50,197

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2003	69,532	56,650	1,710	3.019	58,360	83.933			58,360	83.933
2. 2004	57,508	48,071	2,210	4.597	50,281	87.433			50,281	87.433
3. 2005	61,602	53,352	2,674	5.011	56,026	90.948			56,026	90.948
4. 2006	61,788	52,846	2,653	5.020	55,499	89.822	1		55,500	89.823
5. 2007	59,764	43,395	3,124	7.198	46,519	77.837	6,802	58	53,379	89.315

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	10,188	45			
2. 2003	50,589	56,702	56,682	56,650	56,650
3. 2004	XXX	42,820	48,071	48,074	48,071
4. 2005	XXX	XXX	47,624	53,269	53,352
5. 2006	XXX	XXX	XXX	48,608	52,846
6. 2007	XXX	XXX	XXX	XXX	43,395

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	10,188	45			
2. 2003	59,694	56,742	56,682	56,650	56,650
3. 2004	XXX	51,620	48,071	48,074	48,071
4. 2005	XXX	XXX	55,783	53,297	53,352
5. 2006	XXX	XXX	XXX	55,420	52,847
6. 2007	XXX	XXX	XXX	XXX	50,197

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2003	69,532	56,650	1,710	3.019	58,360	83.933			58,360	83.933
2. 2004	57,508	48,071	2,210	4.597	50,281	87.433			50,281	87.433
3. 2005	61,602	53,352	2,674	5.011	56,026	90.948			56,026	90.948
4. 2006	61,788	52,846	2,653	5.020	55,499	89.822	1		55,500	89.823
5. 2007	59,764	43,395	3,124	7.198	46,519	77.837	6,802	58	53,379	89.315

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other . . . . . NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent ($.....816,018 for occupancy of own building)	445,074	155,336	215,608		816,018
2.	Salaries, wages and other benefits	3,112,221	1,086,206	1,507,663		5,706,090
3.	Commissions (less $.....0 ceded plus $.....0 assumed)			2,746,352		2,746,352
4.	Legal fees and expenses			76,724		76,724
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services	164,078	13,543	1,308,436		1,486,057
7.	Traveling expenses	21,449	5,461	170,014		196,924
8.	Marketing and advertising	1,381		302,689		304,070
9.	Postage, express and telephone	45,093	193,639	675,435		914,167
10.	Printing and office supplies	57,712	1,622	775,130		834,464
11.	Occupancy, depreciation and amortization			232,510		232,510
12.	Equipment			164,284		164,284
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services	427	179,107	1,520,377		1,699,911
15.	Boards, bureaus and association fees					
16.	Insurance, except on real estate			473,517		473,517
17.	Collection and bank service charges			341		341
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans	(2,023,390)	(848,289)	(4,776,498)		(7,648,177)
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
	23.1 State and local insurance taxes					
	23.2 State premium taxes			286,510		286,510
	23.3 Regulator authority licenses and fees					
	23.4 Payroll taxes	468,060	175,891	255,670		899,621
	23.5 Other (excluding federal income and real estate taxes)		104	6,276		6,380
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses	261,145	107,809	86,267		455,221
26.	Total expenses incurred (Lines 1 to 25)	2,553,250	1,070,429	6,027,305		(a) 9,650,984
27.	Less expenses unpaid December 31, current year		58,045	1,357,144		1,415,189
28.	Add expenses unpaid December 31, prior year		50,171	1,073,645		1,123,816
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	2,553,250	1,062,555	5,743,806		9,359,611
DETAILS OF WRITE-INS						
2501.	MIscellaneous			78,392		78,392
2502.	Service fees	11,145		7,875		19,020
2503.	Network Rental Fee	250,000				250,000
2598.	Summary of remaining write-ins for Line 25 from overflow page		107,809			107,809
2599.	Totals (Lines 2501 through 2503 + 2598) (Line 25 above)	261,145	107,809	86,267		455,221

(a) Includes management fees of $.....7,094,622 to affiliates and $.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 392,585	583,766
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 661,137	660,496
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	1,053,722	1,244,262
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		
17.	Net Investment income (Line 10 minus Line 16)		1,244,262
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		

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

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)					
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)					
DETAILS OF WRITE-INS						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)					

NONE

EXHIBIT OF NONADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
	2.1 Preferred stocks			
	2.2 Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			
	3.2 Other than first liens			
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			
	4.2 Properties occupied for the production of income			
	4.3 Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Other invested assets (Schedule BA)			
8.	Receivables for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)			
11.	Title plants (for Title insurers only)			
12.	Invested income due and accrued			
13.	Premium and considerations:			
	13.1 Uncollected premiums and agents' balances in the course of collection			
	13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
	13.3 Accrued retrospective premiums			
14.	Reinsurance:			
	14.1 Amounts recoverable from reinsurers			
	14.2 Funds held by or deposited with reinsured companies			
	14.3 Other amounts receivable under reinsurance contracts			
15.	Amounts receivable relating to uninsured plans			
16.1	Current federal and foreign income tax recoverable and interest thereon			
16.2	Net deferred tax asset			
17.	Guaranty funds receivable or on deposit			
18.	Electronic data processing equipment and software			
19.	Furniture and equipment, including health care delivery assets			
20.	Net adjustment in assets and liabilities due to foreign exchange rates			
21.	Receivables from parent, subsidiaries and affiliates			
22.	Health care and other amounts receivable	325,102	351,605	26,503
23.	Aggregate write-ins for other than invested assets	29,750		(29,750)
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	354,852	351,605	(3,247)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	354,852	351,605	(3,247)
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301.	Prepaid Admin Contract	29,750		(29,750)
2302.				
2303.				
2398.	Summary of remaining write-ins for Line 23 from overflow page			
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	29,750		(29,750)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health Maintenance Organizations	1,219	1,014	810	705	623	220,669
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service	18,484	17,644	16,932	18,636	19,584	9,554
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	19,703	18,658	17,742	19,341	20,207	230,223
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

QCA HEALTH PLAN, INC.

Notes to Financial Statements - Statutory Basis
December 31, 2007 and 2006

(1) Summary of Significant Accounting Policies

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

Cash and Cash Equivalents: The Company considers all cash accounts and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Premiums Receivable: The Company uses the allowance method of accounting for uncollectible receivables. Premiums receivable represent medical premium revenue that has been billed and recognized as revenue, but has not been collected.

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

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

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

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

***Cost of Benefits Provided*:** Cost of benefits provided includes the costs of all medical services delivered to enrolled members of the Company and for whom the Company has recorded medical premium revenue during the reporting period. These costs include payments for specific medical services paid to physicians, hospitals, and other health care providers on a fee-for-service basis. Costs of benefits include claims paid, claims in process and pending, estimates of unreported claims and charges, and processing costs of those estimates at the end of the fiscal year for which the Company will be responsible. There are certain provider contracts within the network that contain various risk sharing arrangements, in which the unallocated withhold amounts for members who have not designated a primary care physician are returned to the Company as part of the settlement and administration of such risk sharing arrangements and accordingly are recorded as a reduction of cost of benefits provided.

Notes to Financial Statement

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

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

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

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

(2) Accounting Changes and Corrections of Errors

None.

(3) Business Combinations and Goodwill

None.

(4) Discontinued Operations

None.

(5) Investments

The carrying value and estimated market value of investments in securities as of December 31, 2007 and 2006 are as follows:

	2007			
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government securities	$ 13,445,246	71,025	243	13,516,028

	2006			
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government securities	$ 13,674,061	4,375	88,923	13,589,513

The carrying value and estimated market value of securities as of December 31, 2007, by contractual maturity, are shown below:

	Carrying Value	Estimated Market Value
Matures in one year or less	$ 5,208,194	5,226,384
Matures in one to three years	8,237,052	8,289,644
	$ 13,445,246	13,516,028

Included in the amounts above, the Company holds a U.S. Government debt security that is restricted due to regulatory requirements, which matures in one to three years and is held to maturity. At December 31, 2007 and 2006, the aggregate fair value was $624,761 and $623,524, respectively.

Notes to Financial Statement

Information pertaining to securities with gross unrealized losses at December 31, 2007 and 2006, aggregated by investment category and length of time individual securities have been in a continuous loss position, is as follows:

	2007					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
FNMA certificates $	-	-	999,690	243	999,690	243
$	-	-	999,690	243	999,690	243

	2006					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury bills $	617,778	5,746	2,939,610	30,893	3,557,388	36,639
FFCB certificates	-	-	492,700	7,300	492,700	7,300
FNMA certificates	-	-	1,984,065	14,448	1,984,065	14,448
FHLM certificates	-	-	1,483,170	16,363	1,483,170	16,363
Federal agency bonds	499,050	852	-	-	499,050	852
FHLB certificates	497,850	2,150	1,988,650	11,171	2,486,500	13,321
$	1,614,678	8,748	8,888,195	80,175	10,502,873	88,923

All of the securities above are either guaranteed by the U.S. Government or secured by mortgage loans. These unrealized losses relate principally to current interest rates for similar types of securities. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As management has the ability to hold debt securities until maturity, no declines are deemed to be other-than-temporary.

(6) Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets.

(7) Investment Income

The Company's investment income was earned on cash and cash equivalents, and bonds and no investment income was excluded from surplus for the years ending December 31, 2007 and 2006.

(8) Derivative Instruments

None.

(9) Income Taxes

The Company's net deferred tax asset account was comprised of the following as of December 31:

Notes to Financial Statement

	2007	2006
Deferred tax assets	$ 2,719,281	3,351,412
Valuation allowance	(1,905,281)	(2,789,412)
	$ 814,000	562,000

The Company has available as of December 31, 2007 unused operating loss carryforwards that may be applied against future taxable income and that expire as follows:

Year of Expiration	Unused Operating Loss Carryforwards
2019	$ 3,795,200
2020	4,145,090
2021	557,462
	$ 8,497,752

The provision for income taxes in the financial statements differs from the amount determined by applying the statutory Federal income rate to earnings before income taxes. The reconciling items and amounts as of December 31, 2007 and 2006 are as follows:

	2007	2006
Expected income tax expense	$ 739,813	368,877
Benefit from net operating loss carryforwards	(705,600)	(355,319)
	$ 34,213	13,558

While the Company has substantial unused operating loss carryforwards to offset any regular taxable income, the Company is only allowed a 90% net operating loss reduction in the calculation of the alternative minimum tax (AMT). Thus, in years in which the Company's regular taxable income is offset due to loss carryforwards, the Company will still be subject to some amount of AMT. This has resulted in AMT credit carryovers of approximately $170,000 that may be available to offset future regular income tax.

(10) Information Concerning Parent, Subsidiaries and Affiliates

During 2007, the Company entered into a service agreement with an affiliate whereby the affiliate would provide a full range of administrative, managerial and technological services. The Company paid this affiliate $2,143,672 during 2007 for these services.

During November 1999, the Company entered into a service agreement with an affiliate of a stockholder whereby the affiliate would provide a full range of administrative, managerial and technological services as well as the continued license rights that the Company had previously obtained from the stockholder. An amendment to this agreement was entered into effective November 30, 2001, whereby the term of the agreement will continue until December 31, 2007, and will be renewed automatically for additional renewal terms of 1 year thereafter. The affiliate may also terminate the agreement in the event that the Company is not compliant with the risk based capital requirements contained within the amendment. Effective December 30, 2006, a second amendment to this agreement was entered into in which the parties acknowledge the agreement will terminate on December 31, 2007. This amendment also provided for the orderly transition of all services back to the Company. The Company paid this affiliate $4,950,950 and $9,052,472 during 2007 and 2006, respectively, for these services.

Notes to Financial Statement

Under the provisions of various provider contracts, the Company paid $37,824,661 and $47,652,889 to hospitals owned by or affiliated with stockholders during 2007 and 2006, respectively.

Premium revenue in the amount of $2,937,561 and $2,906,916 was received from hospitals owned or affiliated with stockholders during 2007 and 2006, respectively, that relate to risk-based and administrative services only (ASO) lines of business.
The Company was due $511,066 and $254,746 from a stockholder as of December 31, 2007 and 2006, respectively. The balance relates to an agreement between the Company and QualChoice of Arkansas, Inc. ("QualChoice"), for professional services from a network of physicians, in which qualifying fee-for-service medical charges are withheld by QualChoice and remitted to the Company.

The Company owed $751,550 and $312,501 to stockholders as of December 31, 2007 and 2006, respectively, for general expenses paid on behalf of the Company.

The Company entered into an agreement with QualChoice in November 2001, whereby the Company assumed the groups QualChoice managed under a third party administrator agreement on January 1, 2002, on behalf of employers which sponsor health benefit plans for employees. The Company assumed the obligations to perform such duties under the existing contracts with QualChoice, and in exchange for receiving these groups, the Company is to pay QualChoice $650,000 in annual network rental fees for the years ending December 31, 2002 through 2007, however, the fees can be renegotiated annually. The Company paid $250,000 and $350,000 in network rental fees to QualChoice for the years ending December 31, 2007 and 2006, respectively.

(11) Surplus Notes

During 2006, all surplus notes and accrued interest were exchanged for preferred stock as discussed in Note 13.

As discussed in Note 10, the Company entered into a service agreement with an affiliate of a stockholder during November 1999. In order to induce the Company to enter into this service agreement, a subsidiary of this affiliate provided the Company with $5,000,000 in exchange for a $5,000,000 face amount surplus note payable. The surplus note payable had a nominal interest rate of 3% and a common stock purchase warrant which entitles the holder to purchase 9,009 shares of the Company's common stock for $.10 per share. The warrants become exercisable for a five year period beginning with the occurrence of the earliest of the following: (1) closing of the Company's initial public offering, (2) change in control, as defined in the agreement, or (3) November 2004. As discussed in Note 13, the surplus notes were exchanged for preferred stock. However, the warrants were not exchanged and may still be exercised according to the terms of the original agreement.

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

The Company has an employee 401(k) plan covering all full-time employees of the Company who have completed three months of employment and choose to participate. The Company contributes an amount equal to the portion of the employee's contribution which does not exceed 3% of the employee's salary. Contributions to the plan during 2007 and 2006 totaled $131,293 and $136,464 respectively.

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

The Company has 50,000 shares of $.10 per share par value common stock authorized and 11,925 shares outstanding, exclusive of 3,600 shares held as treasury stock. During 2006, the Company exchanged the surplus notes, including accrued interest, for 25,500.046 shares of $1,000 par value preferred stock. The Company does not intend to pay dividends on its common or preferred stock in the foreseeable future.

Notes to Financial Statement

The Company's preferred stock structure is as follows as of December 31:

	2007	2006
Series A, $1,000 par value; 5% noncumulative, nonvoting; convertible into 4,732 shares of nonvoting common stock; 2,868 shares authorized and issued.	$ 2,868,000	2,868,000
Series B, $1,000 par value; 5% noncumulative, nonvoting; convertible into 16,833 shares of nonvoting common stock; 9,342.808 shares authorized and issued.	9,342,808	9,342,808
Series C, $1,000 par value; 2% noncumulative, nonvoting, nonconvertible; 5,000 shares authorized and issued.	5,000,000	5,000,000
Series D, $1,000 par value; noncumulative, nonvoting, nonconvertible; 8,289.238 shares authorized and issued.	8,289,238	8,289,238
	$ 25,500,046	25,500,046

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Company the holders of the preferred stock shall be entitled to share ratably in any assets of the Company available for distribution to the Company's stockholders. The amount will be equal to the greater of (a) $1,000 per share of preferred stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization, plus all declared, approved, but unpaid dividends through such distribution payment date or (b) the amount per share such shareholder would receive if such shareholder converted such shares of preferred stock into common stock in accordance with the conversion factor set out on in the "Statement of Preferences and Terms of Preferred Stock" immediately prior to such liquidation, dissolution, or winding up of the affairs of the Company. Any payments or distributions to the preferred stockholders shall be made before any such payments or distributions shall be made to common stockholders.

(14) Contingent Liabilities

The Company is a defendant in general litigation as of December 31, 2007, in the ordinary course of business. The Company's management believes, however, that any liability it may incur as a result of this litigation would not have a material or adverse effect to the financial statements and, accordingly, no contingencies have been recorded.

The Company is subject to various regulatory requirements, including maintenance of minimum capital and surplus. At December 31, 2007, the Company is in compliance with requirements established by the Arkansas Insurance Department. The Company is required to maintain restricted investments in the minimum maturity amount of $625,000.

(15) Leases

None.

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

None.

Notes to Financial Statement

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

None.

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

During 2007 and 2006, the Company had Administrative Services Only (ASO) contracts and minimum premium contracts, for which the employer retained all health care service risk, while the Company assumed administrative risk. The Company recorded administrative fee revenues of approximately $7,648,177 and $11,570,405 for 2007 and 2006, respectively. The amounts are not recorded as revenue in this statutory statement, but rather as a reduction in operating expenses. The profit (loss) associated with this line of business was $301,096 and $(257,817) for 2007 and 2006, respectively. The claims volume was approximately $94,068,329 and $138,159,742 for 2007 and 2006, respectively. The Company has no Medicare or similarly structured cost based reimbursement contracts.

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

None.

(20) Other Items

None.

(21) Events Subsequent

None.

(22) Reinsurance

The Company is covered under a medical reinsurance agreement effective October 1, 2007 through September 30, 2008, that provides annual coverage for eligible in area and out of area hospital services of 90% in excess of $150,000 per member. The policy covers all medical and pharmaceutical services including inpatient and outpatient hospital, sub-acute facility services, skilled nursing facility and rehabilitation facility services, hospice services, home health agency services, outpatient facility services, prescription drugs, and physician and other professional services. Certain of the covered services have per unit or annual coverage limits. For example, coverage for inpatient hospital services is limited $4,000 per day and coverage for prescription drugs is limited to $250,000 per contract year. The reinsurance limitation of the maximum average per day is waived for transplant services performed in a hospital whose negotiated arrangement has been approved by the reinsurer. Each insured member's coverage is limited to $5,000,000 in the contract year. The policy is a renewal of an initial contract signed in October 2005, with Allianz Life Insurance Company of North America ("Allianz"). The original agreement provided coverage for only hospital services and high cost specialty pharmaceuticals. During 2007, HCC Life Insurance Company ("HCC") acquired Allianz. The renewal on October 1, 2007 was written with HCC.

The reinsurance agreement also includes catastrophic reinsurance coverage. The catastrophic provision provides coverage for the same categories of eligible medical services of 90% in excess of $500,000 per member with coverage limited to an average of $10,000 per day over the entire length of stays in the hospital with a maximum of $5,000,000 per member in the contract year. The Company receives reimbursement under the agreement at the most favorable coverage level.

The reinsurance agreement contains a provision through which the Company may receive an Experience Refund equal to 50% of a realized gain in a contract year. A

Notes to Financial Statement

realized gain is defined as the amount by which the actual claims against policy filed by the Company are less than 70% of total policy premiums for the contract year. The policy must me renewed in a subsequent contract year for the Company to receive a prior year's Experience Refund. At December 31, 2007 the Company recorded a receivable of $307,092 for Experience Refund related to the contract year ended September 30, 2007. At December 31, 2006 the Company recorded a receivable of $251,425 for Experience Refund related to the contract year ended September 30, 2006.

The Company has also recorded a reinsurance receivable in the amount of $93,573 for expenses that exceed the limits discussed above. This amount was for specific reinsurance claims filed in 2007 and received back from the reinsurance company in January, 2008.

The reinsurance agreement also contains a Continuation of Coverage endorsement in the event of insolvency on the part of the Company. The limitation on liability to Allianz under this endorsement is $5,000,000.

The Company has no return commission, which would have been due if the Company had cancelled the reinsurance. The Company has no retroactive reinsurance agreements. The reinsurance does not have retroactive termination arrangement clause.

(23) Retrospectively Rated Contracts & Contracts Subject To Redetermination

None.

(24) Change In Incurred Claims and Claim Adjustment Expenses

None.

(26) Intercompany Pooling Arrangements

None.

(27) Structured Settlements

None.

(28) Health Care Receivables

The Company experienced the following activity associated with the pharmaceutical rebate receivables by quarter for the previous three years from December 31, 2007:

Notes to Financial Statement

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/07	$ 325,102	-	-	-	-
9/30/07	163,204	-	-	-	-
6/30/07	158,392	352,173	196,503	155,670	-
3/31/07	260,772	564,530	212,357	196,503	155,670
12/31/06	351,605	493,183	234,569	212,357	46,257
9/30/06	392,330	523,162	258,577	234,569	30,016
6/30/06	467,134	573,748	272,458	258,577	42,713
3/31/06	485,150	547,684	253,599	272,458	21,627
12/31/05	467,678	573,190	265,977	253,599	53,614
9/30/05	28,994	588,387	289,902	265,978	32,507
6/30/05	101,557	576,566	254,521	289,902	32,143
3/31/05	26,000	528,355	227,203	251,808	49,344

(29) Participating Policies

None.

(30) Premium Deficiency Reserves

None.

(31) Anticipated Salvage and Subrogation

None.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	Admitted Assets as Reported in the Annual Statement 4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	2,612,694	9.283	2,612,694	9.283
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies	10,832,552	38.487	10,832,552	38.487
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or Guaranteed by GNMA				
1.512 Issued or Guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	14,695,031	52.210	14,695,031	52.210
9. Other invested assets	5,484	0.019	5,484	0.019
10. Total invested assets	28,145,761	100.000	28,145,761	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[ ] No[X]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[ ] No[ ] N/A[X]

1.3 State Regulating? .....

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

2.2 If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2005

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/11/2006

3.4 By what department or departments?
Arkansas Insurance Department

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes[ ] No[X]
4.12 renewals? Yes[ ] No[X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes[ ] No[X]
4.22 renewals? Yes[ ] No[X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]

7.2 If yes,
7.21 State the percentage of foreign control 0.000%
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]

8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
		Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Rasco, Winter, Abston, Moore & Assoc. 400 West Capitol, Suite 2380 Little Rock, Arkansas 72201-3458

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Milliman USA One Pennsylvania Plaza, 38th Floor New York, New York 10119

11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]
11.11 Name of real estate holding company
11.12 Number of parcels involved 0
11.13 Total book/adjusted carrying value $ 0

11.2 If yes, provide explanation

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[ ] No[ ] N/A[X]
12.3 Have there been any changes made to any of the trust indentures during the year? Yes[ ] No[ ] N/A[X]
12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes[ ] No[ ] N/A[X]

GENERAL INTERROGATORIES (Continued)

13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.

13.11 If the response to 13.1 is No, please explain:

13.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]

13.21 If the response to 13.2 is Yes, provide information related to amendment(s).

13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]

13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes[ ] No[X]

15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes[X] No[ ]

16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes[X] No[ ]

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes[ ] No[X]

18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
18.11 To directors or other officers $ 0
18.12 To stockholders not officers $ 0
18.13 Trustees, supreme or grand (Fraternal only) $ 0

18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
18.21 To directors or other officers $ 0
18.22 To stockholders not officers $ 0
18.23 Trustees, supreme or grand (Fraternal only) $ 0

19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[ ] No[X]

19.2 If yes, state the amount thereof at December 31 of the current year:
19.21 Rented from others $ 0
19.22 Borrowed from others $ 0
19.23 Leased from others $ 0
19.24 Other $ 0

20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[ ] No[X]

20.2 If answer is yes:
20.21 Amount paid as losses or risk adjustment $ 0
20.22 Amount paid as expenses $ 0
20.23 Other amounts paid $ 0

21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[ ]

21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 511,066

INVESTMENT

22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? Yes[X] No[ ]

22.2 If no, give full and complete information, relating thereto:

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1). Yes[ ] No[X]

23.2 If yes, state the amount thereof at December 31 of the current year:
23.21 Loaned to others $ 0
23.22 Subject to repurchase agreements $ 0
23.23 Subject to reverse repurchase agreements $ 0
23.24 Subject to dollar repurchase agreements $ 0
23.25 Subject to reverse dollar repurchase agreements $ 0
23.26 Pledged as collateral $ 0
23.27 Placed under option agreements $ 0
23.28 Letter stock or securities restricted as to sale $ 0
23.29 On deposit with state or other regulatory body $ 0
23.291 Other $ 0

23.3 For category (23.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[ ] No[X]

24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[ ] No[ ] N/A[X]
If no, attach a description with this statement.

25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[ ] No[X]

25.2 If yes, state the amount thereof at December 31 of the current year. $ 0

26. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[ ]

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

GENERAL INTERROGATORIES (Continued)

1 Name of Custodian(s)	2 Custodian's Address
Arvest Asset Management	200 Commerce Dr. Ste. 100, Little Rock, AR
Simmons First National Bank	8315 Cantrell Road, Suite 200, Little Rock, AR

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

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

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes[ ] No[X]
26.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
	Dennis Whitaker	200 Commerce Dr. Ste. 100 Little Rock, AR
	Mark Garner	8315 Cantrell Road, Sute 200 Little Rock, AR

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[ ] No[X]
27.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds	13,445,245	13,516,028	70,783
28.2 Preferred stocks			
28.3 Totals	13,445,245	13,516,028	70,783

28.4 Describe the sources of methods utilized in determining the fair values
Provided by bank statements/Trust Company reporting

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

OTHER

30.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? $ 28,500
30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
AM Best	28,500

31.1 Amount of payments for legal expenses, if any? $ 65,160
31.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Wright, Lindsey & Jennings	59,330

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? $ 0
32.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

		1 Current Year	2 Prior Year
2.1	Premium Numerator	58,273,196	60,478,211
2.2	Premium Denominator	58,273,196	60,478,211
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	6,803,838	6,839,899
2.5	Reserve Denominator	6,803,838	6,839,899
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes[ ] No[X]
3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No[ ]
4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes[ ] No[X]

5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No[ ]
5.2 If no, explain:
5.3 Maximum retained risk (see instructions):
5.31 Comprehensive Medical $ 635,000
5.32 Medical Only $ 0
5.33 Medicare Supplement $ 0
5.34 Dental $ 0
5.35 Other Limited Benefit Plan $ 0
5.36 Other $ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Provider contracts have hold harmless agreements and continuity of care provisions. Through the reinsurance compnay $5,000,000 is reinsured for continuation of benefits in event of insolvency.

7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes[X] No[ ]
7.2 If no, give details:

8. Provide the following information regarding participating providers:
8.1 Number of providers at start of reporting year 7,239
8.2 Number of providers at end of reporting year 9,415

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes[ ] No[X]
9.2 If yes, direct premium earned:
9.21 Business with rate guarantees between 15-36 months 0
9.22 Business with rate guarantees over 36 months 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[X] No[ ]
10.2 If yes:
10.21 Maximum amount payable bonuses $ 0
10.22 Amount actually paid for year bonuses $ 0
10.23 Maximum amount payable withholds $ 104,215
10.24 Amount actually paid for year withholds $ 104,215

11.1 Is the reporting entity organized as:
11.12 A Medical Group/Staff Model, Yes[ ] No[X]
11.13 An Individual Practice Association (IPA), or, Yes[ ] No[X]
11.14 A Mixed Model (combination of above)? Yes[ ] No[X]
11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No[ ]
11.3 If yes, show the name of the state requiring such net worth.
Arkansas
11.4 If yes, show the amount required. $ 100,000
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes[X] No[ ]
11.6 If the amount is calculated, show the calculation.
Net Worth requirement of $100,000 plus certain RBC requirements of the State. The RBC calculations are included with this filing

12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area

FIVE-YEAR HISTORICAL DATA

	1 2007	2 2006	3 2005	4 2004	5 2003
BALANCE SHEET (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	30,509,739	24,851,692	25,565,873	23,527,284	21,620,466
2. Total liabilities (Page 3, Line 22)	13,040,405	9,910,665	11,944,102	11,293,864	12,237,385
3. Statutory surplus	2,459,407	2,685,230	2,630,273	2,481,421	2,809,833
4. Total capital and surplus (Page 3, Line 31)	17,469,334	14,941,027	13,621,771	12,233,420	9,383,081
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	58,273,196	60,478,211	59,884,416	56,883,747	68,934,338
6. Total medical and hospital expenses (Line 18)	47,552,706	52,769,346	51,686,944	48,318,399	56,616,965
7. Claims adjustment expenses (Line 20)	3,623,679	2,500,794	2,313,666	2,209,635	1,711,242
8. Total administrative expenses (Line 21)	6,027,305	5,144,766	4,662,511	4,143,261	6,083,244
9. Net underwriting gain (loss) (Line 24)	1,069,506	63,305	1,221,295	2,212,452	4,522,887
10. Net investment gain (loss) (Line 27)	1,244,262	1,089,437	738,627	248,986	220,613
11. Total other income (Lines 28 plus 29)	(3)	(215,521)		1,320	
12. Net income or (loss) (Line 32)	2,279,553	923,664	192,006	2,279,342	4,743,500
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	4,772,909	(1,727,554)	2,321,173	2,499,514	505,802
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	17,469,334	14,941,027	13,621,771	12,233,420	9,383,081
15. Authorized control level risk-based capital	2,459,407	2,685,230	2,630,273	2,481,421	2,809,833
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	20,207	19,703	22,201	20,867	20,228
17. Total members months (Column 6, Line 7)	230,223	243,317	246,380	241,222	341,255
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	81.6	87.3	86.0	85.0	82.0
20. Cost containment expenses	4.4	1.0	1.0	2.0	X X X
21. Other claims adjustment expenses	1.8	3.0	2.0	2.0	
22. Total underwriting deductions (Line 23)	98.2	99.9	98.0	96.0	93.0
23. Total underwriting gain (loss) (Line 24)	2	0	2	4	7
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)	4,318,319	5,643,890	5,231,680	6,212,397	10,602,690
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	6,236,869	7,690,929	8,859,592	9,519,929	13,679,752
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 53, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Column 5, Line 7)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated	5,484	5,261	5,086		
32. Total of above Lines 26 to 31	5,484	5,261	5,086		

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description			1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1.	United States	13,445,246	13,516,028	13,361,433	13,475,000
Governments (Including all obligations	2.	Canada				
guaranteed by governments)	3.	Other Countries				
	4.	Totals	13,445,246	13,516,028	13,361,433	13,475,000
	5.	United States				
States, Territories and Possessions	6.	Canada				
(Direct and Guaranteed)	7.	Other Countries				
	8.	Totals				
Political Subdivisions of States,	9.	United States				
Territories and Possessions	10.	Canada				
(Direct and Guaranteed)	11.	Other Countries				
	12.	Totals				
Special revenue and special assessment obligations	13.	United States				
and all non-guaranteed obligations of agencies and	14.	Canada				
authorities of governments and their political	15.	Other Countries				
subdivisions	16.	Totals				
	17.	United States				
Public Utilities	18.	Canada				
(unaffiliated)	19.	Other Countries				
	20.	Totals				
	21.	United States				
Industrial and Miscellaneous and	22.	Canada				
Credit Tenant Loans (unaffiliated)	23.	Other Countries				
	24.	Totals				
Parent, Subsidiaries and Affiliates	25.	Totals				
	26.	Total Bonds	13,445,246	13,516,028	13,361,433	13,475,000
PREFERRED STOCKS	27.	United States				
	28.	Canada				
Public Utilities (unaffiliated)	29.	Other Countries				
	30.	Totals				
	31.	United States				
Banks, Trust and Insurance Companies	32.	Canada				
(unaffiliated)	33.	Other Countries				
	34.	Totals				
	35.	United States				
Industrial and Miscellaneous	36.	Canada				
(unaffiliated)	37.	Other Countries				
	38.	Totals				
Parent, Subsidiaries and Affiliates	39.	Totals				
	40.	Total Preferred Stocks				
COMMON STOCKS	41.	United States				
	42.	Canada				
Public Utilities (unaffiliated)	43.	Other Countries				
	44.	Totals				
	45.	United States				
Banks, Trust and Insurance Companies	46.	Canada				
(unaffiliated)	47.	Other Countries				
	48.	Totals				
	49.	United States				
Industrial and Miscellaneous	50.	Canada				
(unaffiliated)	51.	Other Countries				
	52.	Totals				
Parent, Subsidiaries and Affiliates	53.	Totals				
	54.	Total Common Stocks				
	55.	Total Stocks				
	56.	Total Bonds and Stocks	13,445,246	13,516,028	13,361,433	

SCHEDULE D - Verification Between Years

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year 13,674,061
2. Cost of bonds and stocks acquired, Column 7, Part 3 8,238,961
3. Accrual of discount 32,224
4. Increase (decrease) by adjustment:
   - 4.1 Columns 12 - 14, Part 1
   - 4.2 Column 15 - 17, Part 2, Section 1
   - 4.3 Column 15, Part 2, Section 2
   - 4.4 Column 11 - 13, Part 4
5. Total gain (loss), Column 19, Part 4
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 8,500,000
7. Amortization of premium
8. Foreign Exchange Adjustment:
   - 8.1 Column 15, Part 1
   - 8.2 Column 19, Part 2, Section 1
   - 8.3 Column 16, Part 2, Section 2
   - 8.4 Column 15, Part 4
9. Book/adjusted carrying value at end of current period 13,445,246
10. Total valuation allowance
11. Subtotal (Lines 9 plus 10) 13,445,246
12. Total nonadmitted assets
13. Statement value of bonds and stocks, current period 13,445,246

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

ALLOCATED BY STATES AND TERRITORIES

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Is Insurer Licensed (Yes or No)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1. Alabama (AL)	No								
2. Alaska (AK)	No								
3. Arizona (AZ)	No								
4. Arkansas (AR)	Yes	59,763,842						59,763,842	
5. California (CA)	No								
6. Colorado (CO)	No								
7. Connecticut (CT)	No								
8. Delaware (DE)	No								
9. District of Columbia (DC)	No								
10. Florida (FL)	No								
11. Georgia (GA)	No								
12. Hawaii (HI)	No								
13. Idaho (ID)	No								
14. Illinois (IL)	No								
15. Indiana (IN)	No								
16. Iowa (IA)	No								
17. Kansas (KS)	No								
18. Kentucky (KY)	No								
19. Louisiana (LA)	No								
20. Maine (ME)	No								
21. Maryland (MD)	No								
22. Massachusetts (MA)	No								
23. Michigan (MI)	No								
24. Minnesota (MN)	No								
25. Mississippi (MS)	No								
26. Missouri (MO)	No								
27. Montana (MT)	No								
28. Nebraska (NE)	No								
29. Nevada (NV)	No								
30. New Hampshire (NH)	No								
31. New Jersey (NJ)	No								
32. New Mexico (NM)	No								
33. New York (NY)	No								
34. North Carolina (NC)	No								
35. North Dakota (ND)	No								
36. Ohio (OH)	No								
37. Oklahoma (OK)	No								
38. Oregon (OR)	No								
39. Pennsylvania (PA)	No								
40. Rhode Island (RI)	No								
41. South Carolina (SC)	No								
42. South Dakota (SD)	No								
43. Tennessee (TN)	No								
44. Texas (TX)	No								
45. Utah (UT)	No								
46. Vermont (VT)	No								
47. Virginia (VA)	No								
48. Washington (WA)	No								
49. West Virginia (WV)	No								
50. Wisconsin (WI)	No								
51. Wyoming (WY)	No								
52. American Samoa (AS)	No								
53. Guam (GU)	No								
54. Puerto Rico (PR)	No								
55. U.S. Virgin Islands (VI)	No								
56. Northern Marianas Islands (MP)	No								
57. Canada (CN)	No								
58. Aggregate other alien (OT)	XXX								
59. Subtotal	XXX	59,763,842						59,763,842	
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. TOTAL (Direct Business)	(a) 1	59,763,842						59,763,842	
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

(a) Insert the number of yes responses except for Canada and Other Alien.

Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

PARENTS:

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

51.15%

Zenith National Insurance Corp.
FEIN: 95-1651549
Property and Casualty Insurer with
Speciality in Worker's Compensation

30.19%

Novalis Corporation
FEIN: 14-1785722
Managed Care Services
and Consulting Firm

1.68%

University of Arkansas
for Medical Sciences
FEIN: 71-6046242

15.09%

Arkansas Children's Hospital
FEIN: 71-0236857

1.89%

HMO:

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

SUBSIDARY:

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

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