HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2005
OF THE CONDITION AND AFFAIRS OF THE

Arkansas Community Care, Inc.

NAIC Group Code 3681 (Current) ____ (Prior) NAIC Company Code 12282 Employer's ID Number 20-2036444

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: Health Maintenance Organization

Is HMO Federally Qualified? Yes [X] No [ ]

Incorporated/Organized 01/31/2005 Commenced Business 03/21/2005

Statutory Home Office 10025 W Markham St. Suite 220 (Street and Number), Little Rock , AR 72205 (City or Town, State and Zip Code)

Main Administrative Office 825 Washington St. Suite 300 (Street and Number)
Oakland , CA 94607 (City or Town, State and Zip Code), 510-832-0311 (Area Code) (Telephone Number)

Mail Address 825 Washington St. Suite 300 (Street and Number or P.O. Box), Oakland , CA 94607 (City or Town, State and Zip Code)

Primary Location of Books and Records 825 Washington St. Suite 300 (Street and Number)
Oakland , CA 94607 (City or Town, State and Zip Code), 510-817-1038 (Area Code) (Telephone Number)

Internet Website Address www.arkansascommunitycare.com

Statutory Statement Contact Bradley Raymond Luke (Name), 510-817-1038 (Area Code) (Telephone Number)
bluke@arcadianhp.com (E-mail Address), 510-817-1039 (FAX Number)

Policyowner Relations Contact 825 Washington St. Suite 300 (Street and Number)
Oakland , CA 94607 (City or Town, State and Zip Code), 510-832-0311 (Area Code) (Telephone Number)

OFFICERS

Chief Executive Officer John Harvey Austin
President Nancy Ellen Freeman
CFO/Treasurer Kenneth Benjamin Zimmerman

OTHER

DIRECTORS OR TRUSTEES

John Harvey Austin
Kenneth Benjamin Zimmerman
Nancy Ellen Freeman
Chase Spencer Milbrandt
Cheryl Yvonne Perkins

State of California
County of Alameda
SS:

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

John Harvey Austin	Nanacy Ellen Freeman	Kenneth Benjamin Zimmerman
Chief Executive Officer	President	CFO/Treasurer

Subscribed and sworn to before me this
____ day of ____

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

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)	348,528		348,528	
2.	Stocks (Schedule D):				
	2.1 Preferred stocks			0	
	2.2 Common stocks			0	
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	
	3.2 Other than first liens			0	
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ ..... encumbrances)			0	
	4.2 Properties held for the production of income (less $ ..... encumbrances)			0	
	4.3 Properties held for sale (less $ ..... encumbrances)			0	
5.	Cash ($ 4,707,126 , Schedule E - Part 1), cash equivalents ($ 0 , Schedule E - Part 2) and short-term investments ($ 0 , Schedule DA)	4,707,126		4,707,126	
6.	Contract loans, (including $ ..... premium notes)			0	
7.	Other invested assets (Schedule BA)			0	
8.	Receivables for securities			0	
9.	Aggregate write-ins for invested assets	0	0	0	0
10.	Subtotals, cash and invested assets (Lines 1 to 9)	5,055,654	0	5,055,654	0
11.	Title plants less $ ..... charged off (for Title insurers only)			0	
12.	Investment income due and accrued	14,375		14,375	
13.	Premiums and considerations:				
	13.1 Uncollected premiums and agents' balances in the course of collection			0	
	13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	
	13.3 Accrued retrospective premiums			0	
14.	Reinsurance:				
	14.1 Amounts recoverable from reinsurers			0	
	14.2 Funds held by or deposited with reinsured companies			0	
	14.3 Other amounts receivable under reinsurance contracts			0	
15.	Amounts receivable relating to uninsured plans			0	
16.1	Current federal and foreign income tax recoverable and interest thereon			0	
16.2	Net deferred tax asset			0	
17.	Guaranty funds receivable or on deposit			0	
18.	Electronic data processing equipment and software			0	
19.	Furniture and equipment, including health care delivery assets ($ .....)	54,013	54,013	0	
20.	Net adjustment in assets and liabilities due to foreign exchange rates			0	
21.	Receivables from parent, subsidiaries and affiliates			0	
22.	Health care ($ .....) and other amounts receivable			0	
23.	Aggregate write-ins for other than invested assets	1,303	1,303	0	0
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	5,125,345	55,316	5,070,029	0
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26.	Total (Lines 24 and 25)	5,125,345	55,316	5,070,029	0
	DETAILS OF WRITE-INS				
0901.					
0902.					
0903.					
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301.	Deposits	1,303	1,303	0	
2302.					
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	1,303	1,303	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1. Claims unpaid (less $ ..... reinsurance ceded)			0	
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses			0	
4. Aggregate health policy reserves			0	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserves			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	1,234		1,234	
9. General expenses due or accrued			0	
10.1 Current federal and foreign income tax payable and interest thereon (including $ ..... on realized capital gains (losses))			0	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	
13. Remittance and items not allocated			0	
14. Borrowed money (including $ ..... current) and interest thereon $ ..... (including $ ..... current)			0	
15. Amounts due to parent, subsidiaries and affiliates	63,208		63,208	
16. Payable for securities			0	
17. Funds held under reinsurance treaties (with $ ..... authorized reinsurers and $ .....0 unauthorized reinsurers)			0	
18. Reinsurance in unauthorized companies			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Liability for amounts held under uninsured accident and health plans			0	
21. Aggregate write-ins for other liabilities (including $ ..... current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	64,442	0	64,442	0
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	5,000,000	
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	5,587	
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24 $ .....)	XXX	XXX		
30.2 ..... shares preferred (value included in Line 25 $ .....)	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	5,005,587	0
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	5,070,029	0
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198)(Line 21 above)	0	0	0	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898)(Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1.	Member Months	XXX		
2.	Net premium income (including $ non-health premium income)	XXX	0	
3.	Change in unearned premium reserves and reserve for rate credits	XXX	0	
4.	Fee-for-service (net of $ medical expenses)	XXX	0	
5.	Risk revenue	XXX	0	
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	0	0
	Hospital and Medical:			
9.	Hospital/medical benefits			
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area			
13.	Prescription drugs			
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments, and bonus amounts			
16.	Subtotal (Lines 9 to 15)	0	0	0
	Less:			
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)	0	0	0
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $ 0 cost containment expenses		0	
21.	General administrative expenses		6,947	
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)	0	6,947	0
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(6,947)	0
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		67,850	
26.	Net realized capital gains (losses) less capital gains tax of $			
27.	Net investment gains (losses) (Lines 25 plus 26)	0	67,850	0
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]			
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	60,903	0
31.	Federal and foreign income taxes incurred	XXX		
32.	Net income (loss) (Lines 30 minus 31)	XXX	60,903	0
	DETAILS OF WRITE-INS			
0601.		XXX		
0602.		XXX		
0603		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.		XXX		
0702.		XXX		
0703		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.				
2902.				
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT:		
33.	Capital and surplus prior reporting year	0	
	GAINS AND LOSSES TO CAPITAL & SURPLUS:		
34.	Net income or (loss) from Line 32	60,903	
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(55,316)	
40	Change in unauthorized reinsurance	0	
41.	Change in treasury stock	0	
42.	Change in surplus notes	0	
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in	0	
	44.2 Transferred from surplus (Stock Dividend)	0	
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in	5,000,000	
	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	0	0
48.	Net change in capital & surplus (Lines 34 to 47)	5,005,587	0
49.	Capital and surplus end of reporting period (Line 33 plus 48)	5,005,587	0
	DETAILS OF WRITE-INS		
4701.			
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	1,234	
2.	Net investment income	53,475	
3.	Miscellaneous income	0	
4.	Total (Lines 1 through 3)	54,709	0
5.	Benefit and loss related payments	0	
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	8,250	
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) $ ..... net of tax on capital gains (losses)	0	
10.	Total (Lines 5 through 9)	8,250	0
11.	Net cash from operations (Line 4 minus Line 10)	46,459	0
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	0	
	12.2 Stocks	0	
	12.3 Mortgage loans	0	
	12.4 Real estate	0	
	12.5 Other invested assets	0	
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	
	12.7 Miscellaneous proceeds	0	
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	347,594	
	13.2 Stocks	0	
	13.3 Mortgage loans	0	
	13.4 Real estate	0	
	13.5 Other invested assets	0	
	13.6 Miscellaneous applications	934	
	13.7 Total investments acquired (Lines 13.1 to 13.6)	348,528	0
14.	Net increase (decrease) in contract loans and premium notes	0	
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(348,528)	0
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	
	16.2 Capital and paid in surplus, less treasury stock	5,000,000	
	16.3 Borrowed funds	0	
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	
	16.5 Dividends to stockholders	0	
	16.6 Other cash provided (applied)	9,195	
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	5,009,195	0
	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)	4,707,126	0
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	0	
	19.2 End of year (Line 18 plus Line 19.1)	4,707,126	0

Note: Supplemental disclosures of cash flow information for non-cash transactions:

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

	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 Stop Loss	10 Disability Income	11 Long-term Care	12 Other Health	13 Other Non-Health
1. Net premium income	0												
2. Change in unearned premium reserves and reserve for rate credit	0												
3. Fee-for-service (net of $ ..... medical expenses)	0												XXX
4. Risk revenue	0												XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Hospital/medical benefits	0												XXX
9. Other professional services	0												XXX
10. Outside referrals	0												XXX
11. Emergency room and out-of-area	0												XXX
12. Prescription drugs	0												XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0												XXX
15. Subtotal (Lines 8 to 14)	0	0	0	0	0	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries	0												XXX
17. Total medical and hospital (Lines 15 minus 16)	0	0	0	0	0	0	0	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $ ..... cost containment expenses	0												
20. General administrative expenses	6,947						6,947						
21. Increase in reserves for accident and health contracts	0												XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	6,947	0	0	0	0	0	6,947	0	0	0	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	(6,947)	0	0	0	0	0	(6,947)	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501.													XXX
0502.													XXX
0503.													XXX
0598. Summary of remaining write-ins for Line 5from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.													XXX
1302.													XXX
1303.													XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0	0	0	XXX

Underwriting and Investment Exhibit - Part 1 - Premiums

N O N E

Underwriting and Investment Exhibit - Part 2 - Claims Incurred

N O N E

Underwriting and Investment Exhibit - Part 2A - Claims Liability

N O N E

Underwriting and Investment Exhibit - Part 2B - Analysis of Claims

N O N E

Underwriting and Investment Exhibit - Part 2C - Section A - Paid Claims

N O N E

Underwriting and Investment Exhibit - Part 2C - Section B - Incurred Claims

N O N E

Underwriting and Investment Exhibit - Part 2C - Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

N O N E

Underwriting and Investment Exhibit - Part 2D - Reserve for A&H Contracts

N O N E

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Claim Adjustment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ ..... for occupancy of own building)					0
2. Salary, wages and other benefits					0
3. Commissions (less $ ..... ceded plus $ ..... assumed)					0
4. Legal fees and expenses					0
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services					0
7. Traveling expenses					0
8. Marketing and advertising					0
9. Postage, express and telephone					0
10. Printing and office supplies					0
11. Occupancy, depreciation and amortization			6,058		6,058
12. Equipment					0
13. Cost or depreciation of EDP equipment and software					0
14. Outsourced services including EDP, claims, and other services			889	250	1,139
15. Boards, bureaus and association fees					0
16. Insurance, except on real estate					0
17. Collection and bank service charges					0
18. Group service and administration fees					0
19. Reimbursements by uninsured accident and health plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes					0
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25)	0	0	6,947	250	(a) 7,197
27. Less expenses unpaid December 31, current year					0
28. Add expenses unpaid December 31, prior year					0
29. Amounts receivable relating to uninsured accident and health plans, prior year					0
30. Amounts receivable relating to uninsured accident and health plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	0	6,947	250	7,197
DETAILS OF WRITE-INS					
2501.					
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	0	0

(a) Includes management fees of $ 0 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) 5,906	10,083
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) 47,623	58,017
7	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	53,529	68,100
11.	Investment expenses		(g) 250
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		250
17.	Net investment income (Line 10 minus Line 16)		67,850
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1303 plus 1598) (Line 15, above)		0

(a) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued interest on purchases.

(b) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued dividends on purchases.

(c) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued interest on purchases.

(d) Includes $ ..... for company's occupancy of its own buildings; and excludes $ ..... interest on encumbrances.

(e) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued interest on purchases.

(f) Includes $ ..... accrual of discount less $ ..... amortization of premium.

(g) Includes $. 250 investment expenses and $ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ ..... interest on surplus notes and $ ..... interest on capital notes.

(i) Includes $ ..... depreciation on real estate and $ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
1.	U.S. Government bonds				0
1.1	Bonds exempt from U.S. tax				0
1.2	Other bonds (unaffiliated)				0
1.3	Bonds of affiliates				0
2.1	Preferred stocks (unaffiliated)				0
2.11	Preferred stocks of affiliates				0
2.2	Common stocks (unaffiliated)				0
2.21	Common stocks of affiliates				0
3.	Mortgage loans				0
4.	Real estate				0
5.	Contract Loans				0
6.	Cash, cash equivalents and short-term investments				0
7.	Derivative instruments				0
8.	Other invested assets				0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0
10.	Total capital gains (losses)	0	0	0	0
	DETAILS OF WRITE-INS				
0901.					
0902.					
0903.					
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0

EXHIBIT OF NON-ADMITTED 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)			0
2.	Stocks (Schedule D):			
	2.1 Preferred stocks			0
	2.2 Common stocks			0
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			0
	3.2 Other than first liens			0
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			0
	4.2 Properties held for the production of income			0
	4.3 Properties held for sale			0
5.	Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6.	Contract loans			0
7.	Other invested assets (Schedule BA)			0
8.	Receivables for securities			0
9.	Aggregate write-ins for invested assets	0	0	0
10.	Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11.	Title plants (for Title insurers only)			0
12.	Investment income due and accrued			0
13.	Premiums and considerations:			
	13.1 Uncollected premiums and agents' balances in the course of collection			0
	13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
	13.3 Accrued retrospective premiums			0
14.	Reinsurance:			
	14.1 Amounts recoverable from reinsurers			0
	14.2 Funds held by or deposited with reinsured companies			0
	14.3 Other amounts receivable under reinsurance contracts			0
15.	Amounts receivable relating to uninsured plans			0
16.1	Current federal and foreign income tax recoverable and interest thereon			0
16.2	Net deferred tax asset			0
17.	Guaranty funds receivable or on deposit			0
18.	Electronic data processing equipment and software			0
19.	Furniture and equipment, including health care delivery assets	54,013		(54,013)
20.	Net adjustment in assets and liabilities due to foreign exchange rates			0
21.	Receivable from parent, subsidiaries and affiliates			0
22.	Health care and other amounts receivable			0
23.	Aggregate write-ins for other than invested assets	1,303	0	(1,303)
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	55,316	0	(55,316)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
26.	Total (Lines 24 and 25)	55,316	0	(55,316)
	DETAILS OF WRITE-INS			
0901.				
0902.				
0903.				
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0
2301.	Deposits	1,303		(1,303)
2302.				
2303.				
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	1,303	0	(1,303)

Exhibit 1 - Enrollment by Product Type for Health Business Only

N O N E

Exhibit 2 - A&H Premiums Due and Unpaid

N O N E

Exhibit 3 - Health Care Receivables

N O N E

Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus

N O N E

Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates

N O N E

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies**

The quarterly statement has been completed in accordance with the NAIC *Accounting Practices and Procedures* manual.

2. **Accounting Changes and Correction of Errors**

There have been no accounting changes or correction of errors to prior period statements.

3. **Business Combinations and Goodwill**

Not Applicable

4. **Discontinued Operations**

Not Applicable

5. **Investments**

As of December 31, 2005, the company did not have any mortgage loans, restructured loans, reverse mortgages, loan-backed securities, or repurchase agreements as investments.

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**

For the quarter ending December 31, 2005 reported investment income earned was $67,850. Investment income due or accrued as of December 31, 2005 was $14,375.

8. **Derivative Instruments**

Not Applicable

9. **Income Taxes**

Not Applicable

10. **Information Concerning Parent, Subsidiaries and Affiliates**

Arkansas Community Care, Inc is wholly owned subsidiary of Arcadian Health Plan, Inc. (AHP). Arkansas Community Care, Inc. was granted a certificate of Authority by the Arkansas Insurance Commissioner on March 21, 2005.

Arkansas Community Care, Inc. will begin operations in January 2006.

An intercompany payable due to Arcadian Health Plan, Inc. in the amount of $63,208 was created as a result of the purchase of fixed assets by Arkansas Community Care for an office in Little Rock and Fayetville.

11. **Debt**

The Company has no outstanding debt as of 12/31/05.

12. **Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

Not Applicable

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

The Company has 10 shares authorized and 3 shares issued and outstanding of $0.01 par value common stock as of 12/31/05. The Company has no preferred stock authorized.

14. **Contingencies**

None as of 12/31/05.

15. **Leases**

The Company entered into two office leases which expire on August 31, 2011. Lease payments by Arkansas Community Care, Inc. begin January 1, 2006

As of January 1, 2006 the Company will have the following aggregate rental commitments:

2006	92,336
2007	92,336
2008	68,980
2009	24,707
2010	1,152
2011	192

.

16. **Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

Not Applicable

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

Not Applicable

18. **Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

Not Applicable

19. **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

Not Applicable

20. **September 11 Events**

Not Applicable

21. **Other Items**

Not Applicable

22. **Events Subsequent**

Not Applicable

23. **Reinsurance**

Not Applicable

24. **Retrospectively Rated Contracts & Contracts Subject to Redetermination**

Not Applicable

25. **Change in Incurred Claims and Claim Adjustment Expenses**

Not Applicable

26. **Intercompany Pooling Arrangements**

Not Applicable

27. **Structured Settlements**

Not Applicable

28. **Health Care Receivables**

Not Applicable

29. **Participating Policies**

Not Applicable

30. **Premium Deficiency Reserves**

Not Applicable

31. **Anticipated Salvage and Subrogation**

Not Applicable

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	348,528	6.894	348,528	6.894
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies		0.000		0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S. :				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations		0.000		0.000
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA		0.000		0.000
1.512 Issued or guaranteed by FNMA and FHLMC		0.000		0.000
1.513 All other		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.000		0.000
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		0.000		0.000
1.523 All other		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)		0.000		0.000
2.2 Unaffiliated foreign securities		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000		0.000
5.2 Property held for the production of income (including $ ..... of property acquired in satisfaction of debt)		0.000		0.000
5.3 Property held for sale (including $ ..... property acquired in satisfaction of debt)		0.000		0.000
6. Contract loans		0.000		0.000
7. Receivables for securities		0.000	0	0.000
8. Cash, cash equivalents and short-term investments	4,707,126	93.106	4,707,126	93.106
9. Other invested assets		0.000		0.000
10. Total invested assets	5,055,654	100.000	5,055,654	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 [X] No [ ]

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 [X] No [ ] N/A [ ]

1.3 State Regulating? Arkansas

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:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 02/23/2005

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. 02/23/2005

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). 02/23/2005

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 name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

GENERAL INTERROGATORIES

INVESTMENT

20.1 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, except as shown by Schedule E - Part 3 - Special Deposits? ..... Yes [ ] No [X]

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

21.1 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, except as shown on the Schedule E - Part 3 - Special Deposits, 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 17.1). .....

Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Loaned to others .....$ .....
21.22 Subject to repurchase agreements .....$ .....
21.23 Subject to reverse repurchase agreements .....$ .....
21.24 Subject to dollar repurchase agreements .....$ .....
21.25 Subject to reverse dollar repurchase agreements .....$ .....
21.26 Pledged as collateral .....$ .....
21.27 Placed under option agreements .....$ .....
21.28 Letter stock or other securities restricted as to sale ...$ .....
21.29 Other .....$ .....

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

23.1 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]

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

GENERAL INTERROGATORIES

24. 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 Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Nature of Custodian(s)	2 Custodian's Address
Metropolitian National Bank	PO Box 8010 Little Rock, AR 72203

24.02 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)

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes [ ] No [X]

24.04 If yes, give full and complete information relating thereto:

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

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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

25.1 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]

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
25.2999 - Total		0

25.3 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

GENERAL INTERROGATORIES

26. 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 (+)
26.1 Bonds	348,528	345,734	(2,794)
26.2 Preferred stocks			0
26.3 Totals	348,528	345,734	(2,794)

26.4 Describe the sources or methods utilized in determining the fair values:
Obtained from Custodian

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

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 0

28.2 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.

1 Name	2 Amount Paid

29.1 Amount of payments for legal expenses, if any? $ 0

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

30.2 List the name of the 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 departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

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 $

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $

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. $

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. $

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $

1.62 Total incurred claims $

1.63 Number of covered lives

All years prior to most current three years

1.64 Total premium earned $

1.65 Total incurred claims $

1.66 Number of covered lives

1.7 Group policies:

Most current three years:

1.71 Total premium earned $

1.72 Total incurred claims $

1.73 Number of covered lives

All years prior to most current three years

1.74 Total premium earned $

1.75 Total incurred claims $

1.76 Number of covered lives

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator		
2.2	Premium Denominator	0	
2.3	Premium Ratio (2.1/2.2)	0.000	0.000
2.4	Reserve Numerator		
2.5	Reserve Denominator	0	0
2.6	Reserve Ratio (2.4/2.5)	0.000	0.000

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 [ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [ ] No [X]

5.2 If no, explain

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical $

5.32 Medical Only $

5.33 Medicare Supplement $

5.34 Dental $

5.35 Other Limited Benefit Plan $

5.36 Other $

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:

No policies were wrtitten in calendar 2005

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? 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 0

8.2 Number of providers at end of reporting year 0

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 $

9.22 Business with rate guarantees over 36 months $

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [ ] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses $
10.22 Amount actually paid for year bonuses $
10.23 Maximum amount payable withholds $
10.24 Amount actually paid for year withholds $

11.1 Is the reporting entitiy 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 [ ] No [X]
11.3 If yes, show the name of the state requiring such net worth
11.4 If yes, show the amount required $
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [ ]
11.6 If the amount is calculated, show the calculation

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

1 Name of Service Area
Little Rock and Fayetteville

FIVE-YEAR HISTORICAL DATA

		1 2005	2 2004	3 2003	4 2002	5 2001
	BALANCE SHEET (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 26)	5,070,029				
2.	Total liabilities (Page 3, Line 22)	64,442				
3.	Statutory surplus					
4.	Total capital and surplus (Page 3, Line 31)	5,005,587				
	INCOME STATEMENT (Page 4)					
5.	Total revenues (Line 8)	0				
6.	Total medical and hospital expenses (Line 18)	0				
7.	Claims adjustment expenses (Line 20)	0				
8.	Total administrative expenses (Line 21)	6,947				
9.	Net underwriting gain (loss) (Line 24)	(6,947)				
10.	Net investment gain (loss) (Line 27)	67,850				
11.	Total other income (Lines 28 plus 29)	0				
12.	Net income or (loss) (Line 32)	60,903				
	RISK-BASED CAPITAL ANALYSIS					
13.	Total adjusted capital	5,005,587				
14.	Authorized control level risk-based capital	7,061				
	ENROLLMENT (Exhibit 1)					
15.	Total members at end of period (Column 5, Line 7)					
16.	Total members months (Column 6, Line 7)					
	OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
17.	Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
18.	Total hospital and medical plus other non-health (Lines 18 plus Line 19)	0.0				
19.	Cost containment expenses	0.0		XXX	XXX	XXX
20.	Other claims adjustment expenses	0.0				
21.	Total underwriting deductions (Line 23)	0.0				
22.	Total underwriting gain (loss) (Line 24)	0.0				
	UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
23.	Total claims incurred for prior years (Line 13, Col. 5)					
24.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]					
	INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
25.	Affiliated bonds (Sch. D Summary, Line 25, Col. 1)	0				
26.	Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)					
27.	Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)					
28.	Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)	0				
29.	Affiliated mortgage loans on real estate					
30.	All other affiliated					
31.	Total of above Lines 25 to 30	0	0	0	0	0

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	348,528	345,734	347,593	350,000
Governments	2. Canada				
(Including all obligations guaranteed by governments)	3. Other Countries				
	4. Totals	348,528	345,734	347,593	350,000
States, Territories and Possessions	5. United States				
(Direct and guaranteed)	6. Canada				
	7. Other Countries				
	8. Totals	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
	16. Totals	0	0	0	0
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States				
	22. Canada				
	23. Other Countries				
	24. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	348,528	345,734	347,593	350,000
PREFERRED STOCKS	27. United States				
Public Utilities (unaffiliated)	28. Canada				
	29. Other Countries				
	30. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks	0	0	0	
COMMON STOCKS	41. United States				
Public Utilities (unaffiliated)	42. Canada				
	43. Other Countries				
	44. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks	0	0	0	
	55. Total Stocks	0	0	0	
	56. Total Bonds and Stocks	348,528	345,734	347,593	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

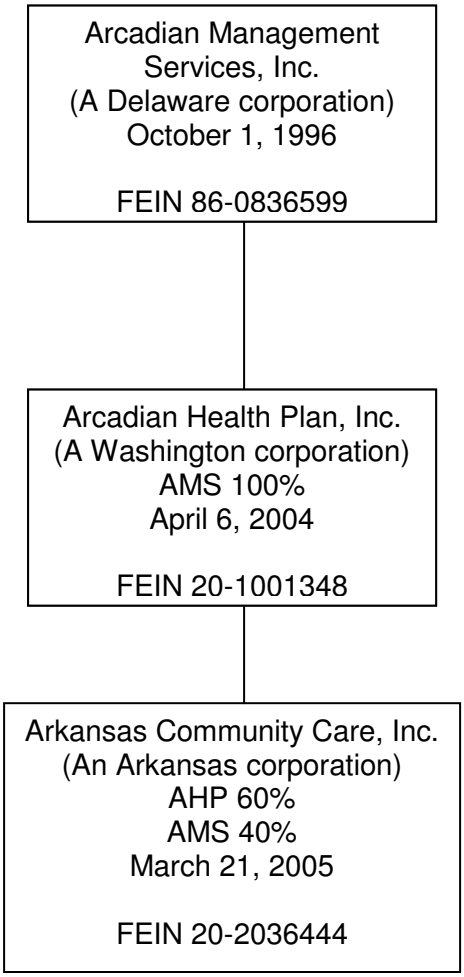
1. Book/adjusted carrying value of bonds and stocks, prior year
2. Cost of bonds and stocks acquired, Col. 7, Part 3 347,594
3. Accrual of discount 0
4. Increase (decrease) by adjustment:
   - 4.1 Col. 12 - 14, Part 1 934
   - 4.2 Col. 15 - 17, Part 2, Sec. 1 0
   - 4.3 Col. 15, Part 2, Sec. 2 .....
   - 4.4 Col. 11 - 13, Part 4 ..... 0 934
5. Total gain (loss), Col. 19, Part 4
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4
7. Amortization of premium 0
8. Foreign Exchange Adjustment:
   - 8.1 Col. 15, Part 1 0
   - 8.2 Col. 19, Part 2, Sec. 1 .....
   - 8.3 Col. 16, Part 2, Sec. 2 .....
   - 8.4 Col. 15, Part 4 0
9. Book/adjusted carrying value at end of current period 348,528
10. Total valuation allowance
11. Subtotal (Lines 9 plus 10) 348,528
12. Total nonadmitted amounts 0
13. Statement value of bonds and stocks, current period 348,528

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

SCHEDULE Y- INFORMATION CONCERNING ACTIVITIES OF MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



Overflow Page for Write-ins

N O N E

Schedule A - Part 1

N O N E

Schedule A - Part 2

N O N E

Schedule A - Part 3

N O N E

Schedule B - Part 1

N O N E

Schedule B - Part 2

N O N E

Schedule BA - Part 1

N O N E

Schedule BA - Part 2

N O N E