



HEALTH QUARTERLY STATEMENT

As of June 30, 2005
of the Condition and Affairs of the

Imerica Life and Health Insurance Company

NAIC Group Code..... , (Current Period) (Prior Period) NAIC Company Code..... 63533 Employer's ID Number..... 71-0655804

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

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

Incorporated/Organized..... July 20, 1925 Commenced Business..... August 8, 1925

Statutory Home Office 425 W. Capitol Av., 37th Fl, Attn: Dover, Dixon Ho..... Little Rock AR 72201
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 3501 E. Frontage Road, Suite 300..... Tampa FL 33607 813-286-7533
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 3501 E. Frontage Road, Suite 300..... Tampa FL 33607
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 3501 E. Frontage Road, Suite 300..... Tampa FL 33607 813-286-7533
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.imerica.com

Statutory Statement Contact Robert Alfred Mason 813-313-4486
(Name) (Area Code) (Telephone Number) (Extension)
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Policyowner Relations Contact 3501 E. Frontage Road, Suite 300..... Tampa FL 33607 813-286-7533
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
1. Rodney Farmer	President & CEO	2. Michael Griffin Hankinson	COO, Sec. & General Counsel
3. Thomas Michael Keller	Executive VP & CFO	4. Robert Alfred Mason	Controller & Treasurer

OTHER

Leanne Kathy Jansen	Senior VP	Jennifer Watson Seitz	Senior VP
Yvonne Fidure	VP	Craig Magnuson	Senior VP & Chief Actuary
Jeffrey Crippen	Chief Marketing Officer		

DIRECTORS OR TRUSTEES

Rodney Farmer Jeffery William Bak Jeffrey Ryan Crisan James Jacob Nahirny

State of.....Florida
County of.....Hillsborough

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

_____ (Signature) Rodney Farmer	_____ (Signature) Michael Griffin Hankinson	_____ (Signature) Thomas Michael Keller
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & CEO	COO, Sec. & General Counsel	Executive VP & CFO
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This _____ day of _____

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

b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	2,919,977		2,919,977	2,932,000
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....120,617), cash equivalents (\$.....0) and short-term investments (\$.....2,600,000).....	2,720,617		2,720,617	1,384,461
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Other invested assets.....			.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).....	5,640,594	.0	5,640,594	4,316,461
11. Title Plants less \$.....0 charged off (for Title insurers only).....			.0	
12. Investment income due and accrued.....	62,529		62,529	47,883
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	4,238		4,238	921
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 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.....	23,134	23,134	.0	23,134
18. Electronic data processing equipment and software.....			.0	
19. Furniture and equipment, including health care delivery assets (\$.....0).....			.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 (\$.....0) and other amounts receivable.....			.0	
23. Aggregate write-ins for other than invested assets.....	63,662	35,000	28,662	41,000
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	5,794,157	58,134	5,736,023	4,429,399
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
26. TOTALS (Lines 24 and 25).....	5,794,157	58,134	5,736,023	4,429,399

DETAILS OF WRITE-INS

0901.....			.0	
0902.....			.0	
0903.....			.0	
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. Prepaid software access fee for 2005.....			.0	6,000
2302. Payroll security deposit.....	35,000	35,000	.0	35,000
2303. Security deposit for office lease.....	28,662		28,662	
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).....	63,662	35,000	28,662	41,000

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	41,874		41,874	7,873
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 reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	6,922		6,922	4,187
9. General expenses due or accrued.....	483,063		483,063	192,465
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized 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. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	3,176
16. Payable for securities.....			0	
17. Funds held under reinsurance treaties with (\$.....0 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 \$.....0 current).....	0	0	0	0
22. Total liabilities (Lines 1 to 21).....	531,859	0	531,859	207,701
23. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
24. Common capital stock.....	XXX	XXX	2,539,748	2,539,748
25. Preferred capital stock.....	XXX	XXX		
26. Gross paid in and contributed surplus.....	XXX	XXX	33,229,123	29,729,123
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	(30,564,707)	(28,047,173)
30. Less treasury stock, at cost:				
30.10.000 shares common (value included in Line 24 \$.....0).....	XXX	XXX		
30.20.000 shares preferred (value included in Line 25 \$.....0).....	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30).....	XXX	XXX	5,204,164	4,221,698
32. Total liabilities, capital and surplus (Lines 22 and 31).....	XXX	XXX	5,736,023	4,429,399

DETAILS OF WRITE-INS

2101.			0	
2102.			0	
2103.			0	
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.				
2302.				
2303.				
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.				
2802.				
2803.				
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 to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	719	
2. Net premium income (including \$.....0 non-health premium income).....	XXX	(357,115)	
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	9,241	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	(347,874)	0
Hospital and Medical:			
9. Hospital/medical benefits.....		53,129	
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	53,129	0
Less:			
17. Net reinsurance recoveries.....			
18. Total hospital and medical (Lines 16 minus 17).....	0	53,129	0
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....			
21. General administrative expenses.....		2,140,707	1,293,872
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).....	0	2,193,836	1,293,872
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(2,541,710)	(1,293,872)
25. Net investment income earned.....		67,107	92,790
26. Net realized capital gains (losses) less capital gains tax of \$.....0.....			909
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	67,107	93,700
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.....	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	(2,474,603)	(1,200,172)
31. Federal and foreign income taxes incurred.....	XXX		
32. Net income (loss) (Lines 30 minus 31).....	XXX	(2,474,603)	(1,200,172)

DETAILS OF WRITE-INS

0601. Application & Miscellaneous Fees.....	XXX	9,241	
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	9,241	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)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year
33. Capital and surplus prior reporting year.....	4,221,698	7,362,033	7,362,033
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34. Net income or (loss) from Line 32.....	(2,474,603)	(1,200,172)	(3,107,943)
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.....		(22,393)	(32,392)
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....			
39. Change in nonadmitted assets.....	(58,134)		
40. Change in unauthorized reinsurance.....			
41. Change in treasury stock.....			
42. Change in surplus notes.....			
43. Cumulative effect of changes in accounting principles.....			
44. Capital changes:			
44.1 Paid in.....			
44.2 Transferred from surplus (Stock Dividend).....			
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....	3,500,000		
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.....	15,203	(918)	0
48. Net change in capital and surplus (Lines 34 to 47).....	982,466	(1,223,483)	(3,140,335)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	5,204,164	6,138,550	4,221,698

DETAILS OF WRITE-INS

4701. Change in asset valuation reserve.....	15,203	(12,313)	
4702. Change in taxes payable.....		11,395	
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	15,203	(918)	0

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	(357,697)	14,177
2. Net investment income.....	79,687	190,803
3. Miscellaneous income.....	9,241	44,451
4. Total (Lines 1 through 3).....	(268,769)	249,431
5. Benefit and loss related payments.....	19,128	
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,850,109	3,136,414
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....		
10. Total (Lines 5 through 9).....	1,869,237	3,136,414
11. Net cash from operations (Line 4 minus Line 10).....	(2,138,006)	(2,886,983)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....		600,909
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	600,909
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		600,083
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	600,083
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	0	826
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.....	3,500,000	
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).....	(25,838)	(39,726)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	3,474,162	(39,726)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	1,336,156	(2,925,883)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	1,384,461	4,310,344
19.2 End of period (Line 18 plus Line 19.1).....	2,720,617	1,384,461

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

20.0001			
20.9999	Totals.....	0	0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
Total Members at End of:													
1. Prior Year.....	40	40											
2. First Quarter.....	115	115											
3. Second Quarter.....	198	198											
4. Third Quarter.....	0												
5. Current Year.....	0												
6. Current Year Member Months.....	719	719											
Total Member Ambulatory Encounters for Period:													
7. Physician.....	96	96											
8. Non-Physician.....	246	246											
9. Total.....	342	342	0	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred.....	3	3											
11. Number of Inpatient Admissions.....	1	1											
12. Health Premiums Written	122,218	122,218											
13. Life Premiums Direct.....	0												
14. Property/Casualty Premiums Written.....	0												
15. Health Premiums Earned.....	122,218	122,218											
16. Property/Casualty Premiums Earned.....	0												
17. Amount Paid for Provision of Health Care Services.....	19,128	19,128											
18. Amount Incurred for Provision of Health Care Services.....	53,129	53,129											

7

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0599999. Unreported Claims and Other Claim Reserves.....						41,874
0799999. Total Claims Unpaid.....						41,874

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	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		
1. Comprehensive (hospital and medical).....	333	18,795	7,540	34,334	7,873	7,873
2. Medicare Supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal Employees Health Benefits Plan Premiums.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	333	18,795	7,540	34,334	7,873	7,873
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals.....	333	18,795	7,540	34,334	7,873	7,873

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant change.

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

On March 17, 2005, Imerica Financial Corporation made a \$3,500,000 surplus contribution to the Company. Imerica Financial Corporation is 100% owner of Imerica Life and Health Insurance Company.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

The company entered into a thirty-six month lease on its current office space. The lease term is from April 1, 2005 to March 31, 2008, with a monthly rental payment of \$ 9,766.90. Prior to entering the lease, the Company rented the space on a month to month basis.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No significant change.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

The Company is currently undergoing a financial examination of its statutory financial statement for the year ended December 31, 2004 by the Arkansas Insurance Department ("Arkansas"). Arkansas has not finalized the results of its examination. However, during the course of the audit, Arkansas advised the Company that several amounts listed in its balance sheet as admitted assets were determined to be non-admitted. Arkansas did not require revising the 2004 statutory financial statement. The following amounts have been reflected as non-admitted assets in the 2nd quarter 2005 statutory statement (page 2 - Assets); Guaranty funds receivable or on deposit (Line 17) \$23,134, Aggregate write-ins for other than invested assets \$35,000.

On August 10, 2005, with the approval of its shareholder and subject to the approval of the Arkansas Department of Insurance, the Company transferred \$1,039,748 from common capital stock to the gross paid in and contributed surplus of the Company. The effect of this transaction is a reduction of common capital stock to \$1,500,000.

Note 23 - Reinsurance

The Company maintains reinsurance on its individual major medical business through two reinsurers. Under the current reinsurance treaties, the maximum net retention on any individual is \$125,000. In the second quarter of 2005, the Company established a liability for \$469,147 in minimum premium due to Lloyd's for the excess of loss treaty running from June 1, 2004 to June 1, 2005 on a risks attaching basis.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - Anticipated Salvage and Subrogation

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes that would require disclosure in the Notes to the Financial Statements? Yes [] No [X]

1.2 If yes, explain:.....

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

2.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]

3.1 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]

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

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

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	2	3
Name of Entity	NAIC Company Code	State of Domicile

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

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 09/15/2000.....

7.2 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. 12/31/1999.....

7.3 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). 10/06/2000.....

7.4 By what department or departments?
Arkansas

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]

8.2 If yes, give full information:

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

9.2 If response to 9.1 is yes, please identify the name of the bank holding company.

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

9.4 If the response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount.

INVESTMENT

11.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

11.2 If yes, explain:.....

12.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

12.2 If yes, give full and complete information relating thereto: _____

13. Amount of real estate and mortgages held in other invested assets in Schedule BA:

14. Amount of real estate and mortgages held in short-term investments:

15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

15.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
15.21 Bonds.....
15.22 Preferred Stock.....
15.23 Common Stock.....
15.24 Short-Term Investments.....
15.25 Mortgages, Loans or Real Estate.....
15.26 All Other.....
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$.....0	\$.....0
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above

16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

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

17. 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 []

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

1 Name of Custodian(s)	2 Custodian Address
Wachovia Custody Service Center (GA)	301 North Main St., Mail Code NC 31013, Winston-Salem, NC 27150
JP MorganChase Securities Safekeeping (IN)	P.O. Box 25848, Mailcode: OK1-1075, Oklahoma City, OK 73125-0848
U.S. Bank Institutional Trust & Custody	Attn: Cheryl Peugh, 8600 Shawnee Mission Pkwy., Suite 105, Merriam, KS 66202
Century Trust and Asset Management (NM)	P.O. Box 1507, Santa Fe, New Mexico 87504-1507
Wachovia Bank, N.A. (NC)	One West Fourth St., Mail Code - NC6252, Winston-Salem, NC 28255
Bank of America, N.A. (SC)	Mail Code NC1-004-03-06, 200 N. College St., Charlotte, NC 28255
AM South Capital Markets (TN)	Attn: Ms. Connie Williams, 315 Deadrick St., Nashville, TN 37237-0419
SunTrust Bank	Attn: Michael Fescina, P.O. Box 26665, Richmond, VA 23261-6665
Regions Morgan Keegan Trust (AR)	Attn: Ms Demechi Lipke, 400 West Capitol, Little Rock, AR 72210

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

18.2 If no, list exceptions: _____

Imerica Life and Health Insurance Company
SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Increase (decrease) by adjustment.....		
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....		
5. Total profit (loss) on sales.....		
6. Increase (decrease) by foreign exchange adjustment.....		
7. Amount received on sales.....		
8. Book/adjusted carrying value at end of current period.....	0	0
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	0	0
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	0	0

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	2,932,000	2,961,491
2. Cost of bonds and stocks acquired.....		600,115
3. Accrual of discount.....		
4. Increase (decrease) by adjustment.....		(29,606)
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....		
7. Consideration for bonds and stocks disposed of.....		600,000
8. Amortization of premium.....	12,023	
9. Book/adjusted carrying value, current period.....	2,919,977	2,932,000
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	2,919,977	2,932,000
12. Total nonadmitted amounts.....		
13. Statement value.....	2,919,977	2,932,000

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1.....	2,925,988			(6,011)	2,925,988	2,919,977		2,932,000
2. Class 2.....								
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	2,925,988	0	0	(6,011)	2,925,988	2,919,977	0	2,932,000
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	2,925,988	0	0	(6,011)	2,925,988	2,919,977	0	2,932,000

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals.....	2,600,000	XXX	2,600,000		

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,250,000	30,245
2. Cost of short-term investments acquired.....	4,000,000	25,833,242
3. Increase (decrease) by adjustment.....		
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....		
6. Consideration received on disposal of short-term investments.....	2,650,000	24,613,487
7. Book/adjusted carrying value, current period.....	2,600,000	1,250,000
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	2,600,000	1,250,000
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	2,600,000	1,250,000
12. Income collected during period.....	12,763	19,521
13. Income earned during period.....	26,138	19,521

**Sch. DB-Part F-Section 1
NONE**

**Sch. DB-Part F-Section 2
NONE**

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (YES or NO)
A&H Non-Affiliates				
.....	America Re-Insurance Company.....	Princeton, New Jersey.....	YES.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only Year to Date					8 Property/Casualty Premiums
			3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	
1. Alabama.....AL	NO	YES						
2. Alaska.....AK	NO	YES						
3. Arizona.....AZ	NO	YES	12,482					
4. Arkansas.....AR	NO	YES						
5. California.....CA	NO	YES						
6. Colorado.....CO	NO	YES	67,868					
7. Connecticut.....CT	NO	NO						
8. Delaware.....DE	YES	YES						
9. District of Columbia.....DC	NO	YES						
10. Florida.....FL	NO	YES						
11. Georgia.....GA	NO	YES	20,497					
12. Hawaii.....HI	NO	YES						
13. Idaho.....ID	NO	YES						
14. Illinois.....IL	NO	YES						
15. Indiana.....IN	NO	YES						
16. Iowa.....IA	NO	NO						
17. Kansas.....KS	NO	YES						
18. Kentucky.....KY	NO	YES						
19. Louisiana.....LA	NO	YES						
20. Maine.....ME	NO	NO						
21. Maryland.....MD	NO	YES						
22. Massachusetts.....MA	NO	NO						
23. Michigan.....MI	NO	NO						
24. Minnesota.....MN	NO	NO						
25. Mississippi.....MS	NO	YES						
26. Missouri.....MO	NO	YES						
27. Montana.....MT	NO	YES						
28. Nebraska.....NE	NO	YES						
29. Nevada.....NV	NO	YES						
30. New Hampshire.....NH	NO	NO						
31. New Jersey.....NJ	NO	NO						
32. New Mexico.....NM	NO	YES						
33. New York.....NY	NO	NO						
34. North Carolina.....NC	YES	YES						
35. North Dakota.....ND	NO	YES						
36. Ohio.....OH	NO	YES						
37. Oklahoma.....OK	NO	YES						
38. Oregon.....OR	NO	YES						
39. Pennsylvania.....PA	NO	NO						
40. Rhode Island.....RI	NO	NO						
41. South Carolina.....SC	NO	YES	16,119					
42. South Dakota.....SD	NO	NO						
43. Tennessee.....TN	NO	YES						
44. Texas.....TX	YES	YES	5,252					
45. Utah.....UT	NO	YES						
46. Vermont.....VT	NO	NO						
47. Virginia.....VA	NO	YES						
48. Washington.....WA	NO	YES						
49. West Virginia.....WV	NO	YES						
50. Wisconsin.....WI	NO	NO						
51. Wyoming.....WY	NO	YES						
52. American Samoa.....AS	NO	NO						
53. Guam.....GU	NO	NO						
54. Puerto Rico.....PR	NO	NO						
55. U.S. Virgin Islands.....VI	NO	NO						
56. Canada.....CN	NO	NO						
57. Aggregate Other alien.....OT	XXX	XXX	0	0	0	0	0	0
58. Subtotal.....	XXX	XXX	122,218	0	0	0	0	0
59. Reporting entity contributions for Employee Benefit Plans.....	XXX	XXX						
60. Total (Direct Business).....	XXX	(a) 37	122,218	0	0	0	0	0

DETAILS OF WRITE-INS

5701.								
5702.								
5703.								
5798. Summary of remaining write-ins for line 57 from overflow page.....	0	0	0	0	0	0	0	0
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above).....	0	0	0	0	0	0	0	0

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

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

PART 1 – ORGANIZATIONAL CHART

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

PART 1 – ORGANIZATIONAL CHART

**Overflow Page
NONE**

**Sch. A-Part 2
NONE**

**Sch. A-Part 3
NONE**

**Sch. B-Part 1
NONE**

**Sch. B-Part 2
NONE**

**Sch. BA-Part 1
NONE**

**Sch. BA-Part 2
NONE**

**Sch. D-Part 3
NONE**

**Sch. D-Part 4
NONE**

**Sch. DB-Part A-Section 1
NONE**

**Sch. DB-Part B-Section 1
NONE**

**Sch. DB-Part C-Section 1
NONE**

**Sch. DB-Part D-Section 1
NONE**

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
Wachovia, N.A. Raleigh, NC.....					94,670	177,217	120,617	XXX
Bank of America, N.A. Little Rock, AR.....			2,922		13,888			XXX
0199999. Total Open Depositories.....	XXX	XXX	2,922	0	108,558	177,217	120,617	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	2,922	0	108,558	177,217	120,617	XXX
0599999. Total Cash.....	XXX	XXX	2,922	0	108,558	177,217	120,617	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned at End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Gross Investment Income
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NONE