

QUARTERLY STATEMENT

OF THE

Delta Dental Plan

of

Arkansas, Inc.

of **Sherwood**

in the state of **Arkansas**

TO THE

Insurance Department

OF THE

STATE OF Arkansas

**FOR THE QUARTER ENDED
September 30, 2007**

HEALTH

2007



47155200720100103

HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2007
OF THE CONDITION AND AFFAIRS OF THE
Delta Dental Plan of Arkansas, Inc.

NAIC Group Code 0000 0000 NAIC Company Code 47155 Employer's ID Number 71-0561140
(Current Period) (Prior Period)

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

Country of Domicile US

Licensed as business type: Life, Accident & Health Property/Casualty Hospital, Medical & Dental Service or Indemnity
Dental Service Corporation Vision Service Corporation Health Maintenance Organization
Other Is HMO Federally Qualified? YES NO

Incorporated/Organized: March 15, 1982 Commenced Business: August 1, 1982

Statutory Home Office: 1513 Country Club Road Sherwood, AR 72120

Main Administrative Office: 1513 Country Club Road Sherwood, AR 72120 501-835-3400

Mail Address: 1513 Country Club Road Sherwood, AR 72120

Primary Location of Books and Records: 1513 Country Club Road Sherwood, AR 72120 501-835-3400

Internet Website Address: www.deltadentalar.com

Statutory Statement Contact: Phyllis L Rogers 501-992-1616

progers@deltadentalar.com 501-992-1617

Policyowner Relations Contact: 1513 Country Club Road Sherwood, AR 72120 000-000-0000

OFFICERS

Name	Title
1. <u>Eddie Allen Choate</u>	<u>President and CEO</u>
2. <u>Robert Joe Matlock</u>	<u>Secretary</u>
3. <u>Ebb Weldon Johnson</u>	<u>Treasurer</u>

Vice-Presidents

Name	Title	Name	Title
<u>Ina Lynn Harbert</u>	<u>Senior Vice President and COO</u>	<u>Phyllis Lynn Rogers</u>	<u>Senior Vice President and CFO</u>
<u>Herman Eldon Hurd</u>	<u>Vice President of Provider Relations</u>	<u>Allen Dale Moore</u>	<u>Vice President of Information Technology</u>
<u>Timothy Wayne Carney</u>	<u>Senior Vice President of Sales and Marketi</u>	<u>James Durette Johnson</u>	<u>Senior Vice President of Business Development</u>

DIRECTORS OR TRUSTEES

<u>Ronald Paul Ownbey</u>	<u>Harold Wayne Perrin</u>	<u>Robert Joe Matlock</u>	<u>Robert Howard Gladden</u>
<u>Ebb Weldon Johnson</u>	<u>James Talbert Johnston</u>	<u>Daniel Austin Lieblong</u>	<u>Byron Scott Southern</u>
<u>Paul David Fitzgerald</u>	<u>Susan Jane Fletcher Smith</u>		

State of Arkansas
County of Pulaski ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of 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.

<u>(Signature)</u> <u>Eddie Allen Choate</u> <u>(Printed Name)</u> 1. <u>President and CEO</u> <u>(Title)</u>	<u>(Signature)</u> <u>Robert Joe Matlock</u> <u>(Printed Name)</u> 2. <u>Secretary</u> <u>(Title)</u>	<u>(Signature)</u> <u>Not Required</u> <u>(Printed Name)</u> 3. <u>Treasurer</u> <u>(Title)</u>
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Subscribed and sworn to before me this
12th day of November, 2007

a. Is this an original filing? YES 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	17,169,941		17,169,941	13,590,731
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	11,132,266	565,261	10,567,005	8,940,373
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 6,575,458 encumbrances)	6,575,458		6,575,458	6,600,139
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 10,297,923), cash equivalents (\$ 0) and short-term investments (\$ 0)	10,297,923		10,297,923	8,232,108
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	45,175,588	565,261	44,610,327	37,363,351
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	195,613		195,613	193,218
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	456,700		456,700	290,415
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans	5,978,151		5,978,151	5,233,219
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	2,845,973	1,271,321	1,574,652	1,511,206
19. Furniture and equipment, including health care delivery assets (\$ 404,904)	404,904	404,904		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	5,167		5,167	20,031
22. Health care (\$ 0) and other amounts receivable	14,414		14,414	90,425
23. Aggregate write-ins for other than invested assets	265,347	265,347		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	55,341,857	2,506,833	52,835,024	44,701,865
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	55,341,857	2,506,833	52,835,024	44,701,865

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301. Prepaid Expenses	265,347	265,347		
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	265,347	265,347		

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	1,907,120		1,907,120	2,076,800
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	73,472		73,472	82,155
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	855,873		855,873	538,730
9. General expenses due or accrued	986,425		986,425	2,052,389
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	419,266		419,266	903,515
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates	1,619,773		1,619,773	
16. Payable for securities				
17. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans	2,280,565		2,280,565	2,275,365
21. Aggregate write-ins for other liabilities (including \$ 0 current)				
22. Total liabilities (Lines 1 to 21)	8,142,494		8,142,494	7,928,954
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X		
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X	50,000	50,000
29. Unassigned funds (surplus)	X X X	X X X	44,642,530	36,722,911
30. Less treasury stock, at cost:				
30.1 0 shares common (value included in Line 24 \$ 0)	X X X	X X X		
30.2 0 shares preferred (value included in Line 25 \$ 0)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	44,692,530	36,772,911
32. Total liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	52,835,024	44,701,865

DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)				
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801. Surplus required by the Arkansas Insurance Department	X X X	X X X	50,000	50,000
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X	50,000	50,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1	2	3
	Uncovered	Total	Total
1. Member Months	X X X	1,141,681	1,093,996
2. Net premium income (including \$ 0 non-health premium income)	X X X	48,400,582	43,885,949
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X	53,413	48,963
8. Total revenues (Lines 2 to 7)	X X X	48,453,995	43,934,912
Hospital and Medical:			
9. Hospital/medical benefits		36,603,655	34,335,278
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			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		36,603,655	34,335,278
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		36,603,655	34,335,278
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 0 cost containment expenses		2,047,314	3,294,527
21. General administrative expenses		5,601,564	2,196,352
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)		44,252,533	39,826,157
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	4,201,462	4,108,755
25. Net investment income earned		1,515,713	739,938
26. Net realized capital gains (losses) less capital gains tax of \$ 0		272,829	17,826
27. Net investment gains (losses) (Lines 25 plus 26)		1,788,542	757,764
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			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	5,990,004	4,866,519
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	5,990,004	4,866,519

DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701. Miscellaneous Income	X X X	53,413	48,963
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X	53,413	48,963
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL & SURPLUS ACCOUNT	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year
33. Capital and surplus prior reporting year	36,772,911	31,360,316	31,360,316
34. Net income or (loss) from Line 32	5,990,004	4,866,519	6,692,773
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	(547,413)	235,206	874,057
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	2,477,028	486,142	(2,154,235)
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			
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			
48. Net change in capital and surplus (Lines 34 to 47)	7,919,619	5,587,867	5,412,595
49. Capital and surplus end of reporting period (Line 33 plus 48)	44,692,530	36,948,183	36,772,911

DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	48,551,440	59,436,939
2. Net investment income	1,513,318	1,007,945
3. Miscellaneous income	53,413	49,026
4. Total (Lines 1 to 3)	50,118,171	60,493,910
5. Benefit and loss related payments	36,603,655	45,465,551
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	7,579,318	9,332,842
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	44,182,973	54,798,393
11. Net cash from operations (Line 4 minus Line 10)	5,935,198	5,695,517
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	6,262,247	7,997,406
12.2 Stocks	3,202,974	2,930,789
12.3 Mortgage loans		
12.4 Real estate		851,314
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	272,829	223,470
12.7 Miscellaneous proceeds		2,516,846
12.8 Total investment proceeds (Lines 12.1 to 12.7)	9,738,050	14,519,825
13. Cost of investments acquired (long-term only):		
13.1 Bonds	9,795,446	8,430,702
13.2 Stocks	2,742,198	6,979,824
13.3 Mortgage loans		
13.4 Real estate	70,456	41,954
13.5 Other invested assets		
13.6 Miscellaneous applications	999,333	282,728
13.7 Total investments acquired (Lines 13.1 to 13.6)	13,607,433	15,735,208
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(3,869,383)	(1,215,383)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)		
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)		
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)	2,065,815	4,480,134
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	8,232,108	3,751,974
19.2 End of period (Line 18 plus Line 19.1)	10,297,923	8,232,108

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

20.0001.		
20.0002.		
20.0003.		

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 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	122,776					122,776				
2. First Quarter	125,524				577	124,947				
3. Second Quarter	128,234				748	127,486				
4. Third Quarter	129,163				1,015	128,148				
5. Current Year										
6. Current Year Member Months	1,141,681				5,288	1,136,393				
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Total										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)	48,551,440				72,159	48,479,281				
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	48,400,582				72,159	48,328,423				
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	36,773,335				28,957	36,744,378				
18. Amount Incurred for Provision of Health Care Services	36,603,655				22,957	36,580,698				

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(a) For health premiums written; amount of Medicare Title XVIII exempt from state taxes or fees \$ 0

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	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	1,872,941	34,871,437	12,979	1,888,141	1,885,920	2,076,800
4. Vision only		28,957		6,000		
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	1,872,941	34,900,394	12,979	1,894,141	1,885,920	2,076,800
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	1,872,941	34,900,394	12,979	1,894,141	1,885,920	2,076,800

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. No Change
- b. No Change
- c. (1) No Change
(2) No Change
(3) No Change
(6) No Change
(7) No Change
- d. No change
- e. No Change
- e. No change

NOTE 2 - ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No Change

NOTE 3 - BUSINESS COMBINATIONS AND GOODWILL

No Change

NOTE 4 - DISCONTINUED OPERATIONS

No Change

NOTE 5 - INVESTMENTS

- d. No Change

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No Change

NOTE 7 - INVESTMENT INCOME

- a. No Change
- b. No Change

NOTE 8 - DERIVATIVE INSTRUMENTS

No Change

NOTE 9 - INCOME TAXES

No Change

NOTE 10 - INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- a. Omega Administrators, Inc.
No Change
- b. Omega Administrators of Mississippi, Inc.
Omega Administrators of Mississippi, Inc. was dissolved on March 23, 2007 and consolidated into Omega Administrators, Inc.
- c. The Incorporated PAC of Delta Dental Plan of Arkansas, Inc.

NOTES TO FINANCIAL STATEMENTS

No Change

d. Delta Dental Foundation, Inc.

No Change

e. Omega Ventures, Inc.

On August 13, 2007, the incorporation of Omega Ventures, Inc. was completed by Delta Dental Plan of Arkansas, Inc. as a subsidiary holding company. On this date Delta transferred its ownership in Omega Administrators, Inc. to Omega Ventures, Inc.

NOTE 11 - DEBT

b. No Change

NOTE 12 - RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

b. Effective January 1, 2007, the matching vesting schedule was modified to the Safe Harbor provision so that participants are vested 100% in all matching contributions.

NOTE 13 - CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

9. (a) Unrealized gains on US Treasury Bonds and government agency securities totaled \$75,388 at September 30, 2007.

(b) Non-admitted assets, excluding the adjustment for investment carrying value, totaled \$2,506,833 at September 30, 2007.

NOTE 14 - CONTINGENCIES

No Change

NOTE 15 - LEASES

No Change

NOTE 16 - INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

No Change

NOTE 17 - SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES

No Change

NOTE 18 - GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND FROM THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

b. The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans were as follows for the six months ended September 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
(a) Gross reimbursement for medical costs incurred	\$ 151,671,127	\$ 142,769,442
(b) Gross Administrative fees accrued	8,777,590	9,086,100
(c) Other income and expenses	0	0
(d) Gross expenses incurred	<u>(160,448,717)</u>	<u>(151,855,542)</u>
(e) Total net gain or loss from operations	<u>\$ 0</u>	<u>\$ 0</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 19 - DIRECT PREMIUMS WRITTEN OR PRODUCED BY MANAGING GENERAL AGENTS OR THIRD PARTY ADMINISTRATORS

No Change

NOTE 20 - SEPTEMBER 11 EVENTS

None.

NOTE 21 - OTHER ITEMS

No Change

NOTE 22 - EVENTS SUBSEQUENT

On July 13, 2007, Omega Ventures, Inc. was incorporated as an Arkansas corporation. Upon completion of the corporate filings, the stock of Omega Administrators, Inc., currently owned by Delta Dental Plan of Arkansas, Inc. will be transferred to Omega Ventures, Inc.

On October 12, 2007, Delta Dental Plan of Arkansas, Inc. entered into a real estate contract to purchase a 40,000 square foot building in Little Rock, Arkansas for \$1,790,000. The organization anticipates using the building as disaster recovery facility. Closing will occur on January 15, 2008 provided contract contingencies are completed.

NOTE 23 - REINSURANCE

No Change

NOTE 24 - RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

No Change

NOTE 25 - CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

The reserve for incurred claims and claim adjustment expenses attributable to insured events decreased \$178,363 from \$2,158,955 at December 31, 2006 to \$1,980,592 at September 30, 2007. The decrease is the result of the re-estimation of unpaid claims and claim adjustment expenses principally related to dental insurance. Original estimates are increased and decreased as additional information becomes available regarding individual claims and as a result of the ongoing analysis of recent loss development trends.

NOTE 26 - INTERCOMPANY POOLING ARRANGEMENTS

No Change

NOTE 27 - STRUCTURED SETTLEMENTS

No Change

NOTE 28 - HEALTH CARE RECEIVABLES

No Change

NOTE 29 - PARTICIPATING POLICIES

No Change

NOTE 30 - PREMIUM DEFICIENCY RESERVES

No Change

NOTE 31 - ANTICIPATED SALVAGE AND SUBROGATION

No Change

NOTES TO FINANCIAL STATEMENTS

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 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]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]
- 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 [X] No []
- 2.2 If yes, date of change: 07/20/2007
- 3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organizational chart. Yes [] No [X]
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the 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

- 5. 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?
If yes, attach an explanation. Yes [] No [X] N/A []
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 08/10/2005
- 6.2 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. 09/19/2005
- 6.3 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). 09/19/2005
- 6.4 By what department or departments? Arkansas Insurance Department
- 7.1 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? Yes [] No [X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES (Continued)

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

9.11 If the response to 9.1 is No, please explain: _____

- 9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s). _____

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s). _____

FINANCIAL

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

15.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/ Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
15.21 Bonds	\$ _____	\$ _____
15.22 Preferred Stock	\$ _____	\$ _____
15.23 Common Stock	\$ 1,908,387	\$ 1,945,160
15.24 Short-Term Investments	\$ _____	\$ _____
15.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
15.26 All Other	\$ _____	\$ _____
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)	\$ 1,908,387	\$ 1,945,160
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 [X]

If no, attach a description with this statement.

GENERAL INTERROGATORIES (Continued)

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
Stephens Capital Management, Inc.	111 Center Street, Little Rock, AR 72201

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:

.....

.....

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	6,600,139	7,608,522
2. Increase (decrease) by adjustment	(95,137)	(143,174)
3. Cost of acquired		
4. Cost of additions to and permanent improvements	70,456	41,954
5. Total profit (loss) on sales		(55,850)
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		851,313
8. Book/adjusted carrying value at end of current period	6,575,458	6,600,139
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	6,575,458	6,600,139
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	6,575,458	6,600,139

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		
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	NONE	
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		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

SCHEDULE BA - VERIFICATION Other Invested Assets

	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		
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	NONE	
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		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of long term invested assets at end of current period (Page 2, Line 7, Column 3)		

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	25,437,604	20,102,382
2. Cost of bonds and stocks acquired	12,537,644	15,410,526
3. Accrual of discount	29,991	44,507
4. Increase (decrease) by adjustment	(510,640)	651,426
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	272,829	171,268
7. Consideration for bonds and stocks disposed of	9,465,221	10,928,195
8. Amortization of premium		14,310
9. Book/adjusted carrying value, current period	28,302,207	25,437,604
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	28,302,207	25,437,604
12. Total nonadmitted amounts	565,261	2,906,500
13. Statement value	27,736,946	22,531,104

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	5,328,199	3,726,996	3,804,078	8,082	5,920,576	5,328,199	5,259,199	4,095,527
2. Class 2	8,448,195	3,458,957		3,590	7,776,293	8,448,195	11,910,742	9,495,204
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	13,776,394	7,185,953	3,804,078	11,672	13,696,869	13,776,394	17,169,941	13,590,731
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	13,776,394	7,185,953	3,804,078	11,672	13,696,869	13,776,394	17,169,941	13,590,731

NONE **Schedule DA - Parts 1 and 2**

NONE Schedule DB - Part F - Section 1

NONE Schedule DB - Part F - Section 2

NONE **Schedule S**

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

State, Etc.	1 Is Insurer Licensed (Yes or No)	Direct Business Only Year To Date							9 Deposit-Type Contracts
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama	AL	NO							
2. Alaska	AK	NO							
3. Arizona	AZ	NO							
4. Arkansas	AR	YES	48,400,582					48,400,582	
5. California	CA	NO							
6. Colorado	CO	NO							
7. Connecticut	CT	NO							
8. Delaware	DE	NO							
9. Dist. Columbia	DC	NO							
10. Florida	FL	NO							
11. Georgia	GA	NO							
12. Hawaii	HI	NO							
13. Idaho	ID	NO							
14. Illinois	IL	NO							
15. Indiana	IN	NO							
16. Iowa	IA	NO							
17. Kansas	KS	NO							
18. Kentucky	KY	NO							
19. Louisiana	LA	NO							
20. Maine	ME	NO							
21. Maryland	MD	NO							
22. Massachusetts	MA	NO							
23. Michigan	MI	NO							
24. Minnesota	MN	NO							
25. Mississippi	MS	NO							
26. Missouri	MO	NO							
27. Montana	MT	NO							
28. Nebraska	NE	NO							
29. Nevada	NV	NO							
30. New Hampshire	NH	NO							
31. New Jersey	NJ	NO							
32. New Mexico	NM	NO							
33. New York	NY	NO							
34. North Carolina	NC	NO							
35. North Dakota	ND	NO							
36. Ohio	OH	NO							
37. Oklahoma	OK	NO							
38. Oregon	OR	NO							
39. Pennsylvania	PA	NO							
40. Rhode Island	RI	NO							
41. South Carolina	SC	NO							
42. South Dakota	SD	NO							
43. Tennessee	TN	NO							
44. Texas	TX	NO							
45. Utah	UT	NO							
46. Vermont	VT	NO							
47. Virginia	VA	NO							
48. Washington	WA	NO							
49. West Virginia	WV	NO							
50. Wisconsin	WI	NO							
51. Wyoming	WY	NO							
52. American Samoa	AS	NO							
53. Guam	GU	NO							
54. Puerto Rico	PR	NO							
55. U.S. Virgin Islands	VI	NO							
56. Northern Mariana Islands	MP	NO							
57. Canada	CN	NO							
58. Aggregate other alien	OT	X X X							
59. Subtotal	X X X		48,400,582					48,400,582	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Total (Direct Business)	(a) 1		48,400,582					48,400,582	

DETAILS OF WRITE-INS									
5801.									
5802.									
5803.									
5898. Summary of remaining write-ins for Line 58 from overflow page									
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)									

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

NONE **Schedule Y - Part 1**

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

BAR CODE:



47155200736500003

OVERFLOW PAGE FOR WRITE-INS

NONE Schedule A - Part 2 and 3

NONE **Schedule B - Part 1 and 2**

NONE **Schedule BA - Part 1 and 2**

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
912828GS3	US Treasury Note (05/15/2017) (4.500%)		07/24/2007	Stephens Capital Management		169,012	175,000.00	1,519	1Z
912828GS3	US Treasury Note (05/15/2017) (4.500%)		07/31/2007	Stephens Capital Management		391,250	400,000.00	3,815	1Z
912828FZ8	US Treasury Note (11/30/2008) (4.625%)		07/31/2007	Stephens Capital Management		499,766	500,000.00	3,917	1Z
912828GP9	US Treasury Note (04/30/2009) (4.500%)		07/31/2007	Stephens Capital Management		698,633	700,000.00	7,961	1Z
912828DC1	US Treasury Note (11/15/2014) (4.250%)		07/31/2007	Stephens Capital Management		679,328	700,000.00	6,306	1Z
912828GH7	US Treasury Note (02/15/2017) (4.625%)		07/31/2007	Stephens Capital Management		690,484	700,000.00	14,935	1Z
912828FU9	US Treasury Note (09/30/2011) (4.500%)		08/10/2007	Stephens Capital Management		598,523	600,000.00	9,959	1Z
0399999	Total Bonds U. S. Government				X X X	3,726,996	3,775,000.00	48,412	X X X
3134A4VB7	Federal Home Loan Mortgage Corp (07/12/2010) (4.125%)		08/23/2007	Stephens Capital Management		688,268	700,000.00	3,369	2Z
3134A4VE1	Federal Home Loan Mortgage Corp (10/18/2010) (4.125%)		09/07/2007	Stephens Capital Management		694,099	700,000.00	11,390	2Z
31359MTR4	Federal National Mortgage Assn (12/15/2008) (3.375%)		09/10/2007	Stephens Capital Management		592,254	600,000.00	4,838	2Z
31359MSQ7	Federal National Mortgage Assn (08/15/2008) (3.250%)		09/11/2007	Stephens Capital Management		690,760	700,000.00	1,706	2Z
3134A4UD4	Federal Home Loan Mortgage Corp (09/15/2008) (3.625%)		09/19/2007	Stephens Capital Management		793,576	800,000.00	403	2Z
1099999	Total Bonds All Other Government				X X X	3,458,957	3,500,000.00	21,706	X X X
6099997	Total Bonds Part 3				X X X	7,185,953	7,275,000.00	70,118	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	7,185,953	7,275,000.00	70,118	X X X
152312104	Centex Corporation		07/17/2007	Stephens Capital Management	195,000	8,475			
88033G100	Tenet Healthcare Corporation		07/17/2007	Stephens Capital Management	2,290,000	14,931			
364760108	GAP, Inc.		07/17/2007	Stephens Capital Management	4,155,000	78,156			
G9143X208	Tyco International, Ltd.		08/03/2007	Stephens Capital Management	590,000	28,709			
055921100	BMC Software, Inc.		08/03/2007	Stephens Capital Management	460,000	12,831			
285661104	Electronic Data Systems Corporation		08/21/2007	Stephens Capital Management	1,245,000	28,451			
478160104	Johson and Johnson		08/21/2007	Stephens Capital Management	525,000	32,355			
110122108	Bristol-Myers Squibb Company		08/21/2007	Stephens Capital Management	1,020,000	28,561			
G9144P105	Tyco Electronics, Ltd.		09/06/2007	Stephens Capital Management	1,680,000	58,474			
717081103	Pfizer, Inc.		09/06/2007	Stephens Capital Management	3,615,000	89,182			
29364G103	Entergy Corporation		09/17/2007	Stephens Capital Management	520,000	54,494			
05329W102	Autonation, Inc.		07/13/2007	Stephens Capital Management	1,025,000	22,376			
460690100	Interpublic Group of Companies		07/13/2007	Stephens Capital Management	2,045,000	23,033			
693320202	PHH Corporation		07/17/2007	Stephens Capital Management	1,510,000	47,190			
532716107	Limited Brand, Inc.		07/17/2007	Stephens Capital Management	3,460,000	94,284			
364760108	GAP, Inc.		07/17/2007	Stephens Capital Management	2,495,000	47,031			
745867101	Pulte Home, Inc.		07/17/2007	Stephens Capital Management	1,560,000	35,521			
055921100	BMC Software, Inc.		08/03/2007	Stephens Capital Management	390,000	10,892			
055921100	BMC Software, Inc.		08/21/2007	Stephens Capital Management	1,055,000	30,946			
364760108	GAP, Inc.		08/21/2007	Stephens Capital Management	830,000	14,591			
693320202	PHH Corporation		08/21/2007	Stephens Capital Management	700,000	18,645			

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 0

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
17285T106	Citadel Broadcasting Corporation		08/21/2007	Stephens Capital Management	13,695.000	57,823			
285661104	Electronic Data Systems Corporation		08/21/2007	Stephens Capital Management	615.000	14,089			
364760108	GAP, Inc.		09/06/2007	Stephens Capital Management	250.000	4,620			
055921100	BMC Software, Inc.		09/06/2007	Stephens Capital Management	235.000	7,219			
285661104	Electronic Data Systems Corporation		09/06/2007	Stephens Capital Management	865.000	19,282			
6899999	Total Common Stock Industrial and Miscellaneous				X X X	882,161	X X X		X X X
7299997	Total Common Stock Part 3				X X X	882,161	X X X		X X X
7299998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
7299999	Total Common Stock				X X X	882,161	X X X		X X X
7399999	Total Preferred and Common Stock				X X X	882,161	X X X		X X X
7499999	Totals					8,068,114	X X X	70,118	X X X

E 0 4 . 1

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 0 ..

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
912828GS3	US Treasury Note (05/15/2007) (4.500		08/10/2007	Market		562,062	575,000.00	560,262	560,262		54		54		560,316		1,746	1,746		05/15/2017	1Z
912828GH7	US Treasury Note (02/15/2017) (4.625		08/23/2007	Market		698,359	700,000.00	690,484	690,484		63		63		690,547		7,812	7,812		02/15/2017	1Z
912828EN6	US Treasury Note (11/15/2015) (4.500		09/10/2007	Market		560,184	550,000.00	540,719	540,719		626		626		541,345		18,839	18,839		11/15/2015	1Z
912828EE6	US Treasury Note (09/15/2015) (4.250		09/11/2007	Market		700,547	700,000.00	688,686	689,738		828		828		690,566		9,981	9,981		08/15/2015	1Z
912828FY1	US Treasury Note (11/15/2016) (4.625		09/07/2007	Market		612,000	600,000.00	592,781	592,781		469		469		593,250		18,750	18,750		11/15/2016	1Z
912828DM9	US Treasury Note (02/15/2015) (4.000		09/19/2007	Market		720,633	740,000.00	725,450	727,094		960		960		728,054		7,421	7,421		02/15/2015	1Z
0399999	Subtotal - Bonds - U.S. Governments				X X X	3,853,785	3,865,000.00	3,798,382	3,801,078		3,000		3,000		3,804,078		64,549	64,549		X X X	X X X
6099997	Subtotal - Bonds - Part 4				X X X	3,853,785	3,865,000.00	3,798,382	3,801,078		3,000		3,000		3,804,078		64,549	64,549		X X X	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	3,853,785	3,865,000.00	3,798,382	3,801,078		3,000		3,000		3,804,078		64,549	64,549		X X X	X X X
962166104	Weyerhaeuser Company		07/17/2007	Market	485,000	39,845		30,837	34,266						34,266		5,579	5,579			L
59156R108	Metlife, Inc.		07/17/2007	Market	100,000	6,438		4,090	5,901						5,901		537	537			L
559222401	Magna International, Inc.		07/17/2007	Market	60,000	5,771		4,055	4,833						4,833		938	938			L
50075N104	Kraft Foods, Inc.		07/17/2007	Market	390,000	13,915											13,915	13,915			L
277432100	Eastman Chemical Company		07/17/2007	Market	135,000	9,355		7,518	8,007						8,007		1,348	1,348			L
013817101	Alcoa, Inc.		07/17/2007	Market	225,000	10,480		6,536	6,752						6,752		3,728	3,728			L
413619107	Harrahs Entertainment, Inc.		07/17/2007	Market	130,000	11,127		9,486	10,754						10,754		373	373			L
666807102	Northrop Grumman Corporation		07/17/2007	Market	100,000	7,765		6,805	6,770						6,770		995	995			L
G98255105	XL Capital, Ltd.		07/17/2007	Market	135,000	11,324		8,559	9,723						9,723		1,601	1,601			L
413619107	Harrahs Entertainment, Inc.		08/03/2007	Market	510,000	42,972		37,215	42,187						42,187		785	785			L
013817101	Alcoa, Inc.		08/03/2007	Market	1,200,000	43,812		31,305	36,012						36,012		7,800	7,800			L
30161N101	Exelon Corporation		08/03/2007	Market	165,000	12,092		10,254	10,212						10,212		1,880	1,880			L
413619107	Harrahs Entertainment, Inc.		08/21/2007	Market	460,000	38,876		31,121	38,051						38,051		825	825			L
666807102	Northrop Grumman Corporation		08/21/2007	Market	265,000	20,463		18,033	17,941						17,941		2,522	2,522			L
988498101	Yum Brands, Inc.		08/21/2007	Market	340,000	10,665		15,514	19,992						19,992		(9,327)	(9,327)			L
319963104	First Data Corporation		08/21/2007	Market	1,180,000	38,069		29,512	29,512						29,512		8,557	8,557			L
013817101	Alcoa, Inc.		08/21/2007	Market	485,000	16,824		11,629	14,555						14,555		2,269	2,269			L
88033G100	Tenet Healthcare Corporation		09/06/2007	Market	8,180,000	28,345		73,794	55,984						55,984		(27,639)	(27,639)			L
98310W108	Wyndham Worldwide Corporation		09/06/2007	Market	1,093,000	34,237		31,790	34,998						34,998		(761)	(761)			L
05374105	Avis Budget Group, Inc.		09/06/2007	Market	465,000	10,181		8,826	10,086						10,086		95	95			L
319963104	First Data Corporation		09/06/2007	Market	350,000	11,651		8,754	8,754						8,754		2,897	2,897			L
30161N101	Exelon Corporation		09/17/2007	Market	620,000	46,175		38,531	38,372						38,372		7,803	7,803			L
126117100	CNA Financial Corporation		07/13/2007	Market	275,000	13,178		7,139	11,088						11,088		2,090	2,090			L
260561105	Dow Jones & Company		07/13/2007	Market	195,000	11,195		7,416	7,410						7,410		3,785	3,785			L
277432100	Eastman Chemical company		07/13/2007	Market	380,000	25,726		21,177	22,538						22,538		3,188	3,188			L

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 0

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Forfeign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
152312104	Centex Corporation		07/17/2007	Market	235,000	10,204		14,001	13,223						13,223		(3,019)	(3,019)			L	
008916108	Agrium, Inc.		07/17/2007	Market	675,000	30,225		14,993	21,256						21,256		8,969	8,969			L	
909214108	Unisys Corporation		07/17/2007	Market	4,515,000	40,860		39,732	39,732						39,732		1,128	1,128			L	
790148100	St. Joe Company		07/17/2007	Market	240,000	10,907		16,454	12,857						12,857		(1,950)	(1,950)			L	
549271104	Lubrizol Corporation		07/17/2007	Market	780,000	52,804		34,457	39,101						39,101		13,703	13,703			L	
413619107	Harrahs Entertainment, Inc.		08/03/2007	Market	855,000	71,998		62,122	70,526						70,526		1,272	1,272			L	
02660R107	American Home Mortgage Investment Co		08/03/2007	Market	1,100,000	770		35,052	38,632						38,632		(37,862)	(37,862)			L	
04621X108	Assurant, Inc.		08/03/2007	Market	470,000	22,830		15,052	25,967						25,967		(3,137)	(3,137)			L	
260561105	Dow Jones & Company		08/03/2007	Market	635,000	36,978		24,149	24,130						24,130		12,848	12,848			L	
302491303	F M C Corporation		08/03/2007	Market	165,000	14,788		7,422	12,631						12,631		2,157	2,157			L	
34354P105	FlowsERVE Corporation		08/03/2007	Market	905,000	63,401		31,103	45,675						45,675		17,726	17,726			L	
34354P105	FlowsERVE Corporation		08/21/2007	Market	360,000	24,561		12,373	18,169						18,169		6,392	6,392			L	
559222401	Magna International, Inc.		08/21/2007	Market	190,000	16,420		13,045	15,305						15,305		1,115	1,115			L	
302571104	FPL Group		08/21/2007	Market	275,000	16,566		11,243	14,965						14,965		1,601	1,601			L	
988498101	Yum Brands, Inc.		08/21/2007	Market	945,000	29,840		43,187	55,566						55,566		(25,726)	(25,726)			L	
260561105	Dow Jones & Company		08/21/2007	Market	360,000	21,203		13,691	13,680						13,680		7,523	7,523			L	
014482103	Alexander & Baldwin, Inc.		08/21/2007	Market	350,000	17,712		15,207	15,519						15,519		2,193	2,193			L	
413619107	Harrahs Entertainment, Inc.		08/21/2007	Market	505,000	42,879		32,774	41,763						41,763		1,116	1,116			L	
88033G100	Tenet Healthcare Corporation		09/06/2007	Market	8,400,000	29,148		72,510	58,506						58,506		(29,358)	(29,358)			L	
053774105	Avis Budget Group, Inc.		09/06/2007	Market	1,425,000	31,200		29,524	30,908						30,908		292	292			L	
302491303	F M C Corporation		09/06/2007	Market	145,000	13,235		6,522	11,100						11,100		2,135	2,135			L	
008916108	Agrium, Inc.		09/17/2007	Market	355,000	17,437		8,140	11,179						11,179		6,258	6,258			L	
6899999	Subtotal - Common Stock - Industrial and Miscellaneous				X X X	1,136,447	X X X	1,010,649	1,115,088						1,115,288		21,159	21,159		X X X	X X X	
7299997	Subtotal - Common Stock - Part 4				X X X	1,136,447	X X X	1,010,649	1,115,088						1,115,288		21,159	21,159		X X X	X X X	
7299998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
7299999	Total Common Stock				X X X	1,136,447	X X X	1,010,649	1,115,088						1,115,288		21,159	21,159		X X X	X X X	
7399999	Total Preferred and Common Stock				X X X	1,136,447	X X X	1,010,649	1,115,088						1,115,288		21,159	21,159		X X X	X X X	
7499999	Totals					4,990,232	X X X	4,809,031	4,916,166		3,000		3,000		4,919,366		85,708	85,708		X X X	X X X	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 0

E O S . 1

NONE Schedule DB - Part A and B - Section 1

NONE Schedule DB - Part C and D - Section 1

NONE Schedule E - Part 2