



# HEALTH ANNUAL STATEMENT

For the Year Ending December 31, 2004  
of the Condition and Affairs of the

## HMO Partners, Inc

NAIC Group Code.....876, 876  
(Current Period) (Prior Period)

NAIC Company Code..... 95442

Employer's ID Number..... 71-0747497

Organized under the Laws of Arkansas

State of Domicile or Port of Entry Arkansas

Country of Domicile US

Licensed as Business Type.....Health Maintenance Organization

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

Incorporated..... November 8, 1993

Commenced Business..... January 1, 1994

Statutory Home Office

320 West Capitol..... Little Rock ..... AR ..... 72203-8069  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office

320 West Capitol..... Little Rock ..... AR ..... 72203-8069  
(Street and Number) (City or Town, State and Zip Code)

501-221-1800  
(Area Code) (Telephone Number)

Mail Address

320 West Capitol..... Little Rock ..... AR ..... 72203-8069  
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records

601 S. Gaines..... Little Rock ..... AR ..... 72201  
(Street and Number) (City or Town, State and Zip Code)

501-378-2000  
(Area Code) (Telephone Number)

Internet Website Address

healthadvantage-hmo.com

Statutory Statement Contact

Gray Donald Dillard  
(Name)

501-399-3953  
(Area Code) (Telephone Number) (Extension)

gddillard@arkbluecross.com  
(E-Mail Address)

501-378-3258  
(Fax Number)

Policyowner Relations Contact

320 West Capitol..... Little Rock ..... AR ..... 72203-8069  
(Street and Number) (City or Town, State and Zip Code)

800-843-1329  
(Area Code) (Telephone Number) (Extension)

### OFFICERS

Name	Title	Name	Title
1. David Frank Bridges	President	2. Gray Donald Dillard	Assistant Treasurer
3. Steven James Short	Vice President/CFO	4. Robert Lee Shoptaw	Treasurer

### OTHER

Russell Doyne Harrington Jr. Secretary

### DIRECTORS OR TRUSTEES

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

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

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

_____ (Signature) David Frank Bridges 1. (Printed Name) President (Title)	_____ (Signature) Gray Donald Dillard 2. (Printed Name) Assistant Treasurer (Title)	_____ (Signature) Steven James Short 3. (Printed Name) Vice President/CFO (Title)
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Subscribed and sworn to before me

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

This \_\_\_\_\_ day of \_\_\_\_\_

b. If no 1. State the amendment number

2. Date filed

3. Number of pages attached

## EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
<b>A&amp;H Premiums Due and Unpaid</b>						
0299998. Premiums due and unpaid not individually listed.....	7,610	743,352				750,962
0299999. Total group.....	7,610	743,352	0	0	0	750,962
0599999. Accident and health premiums due and unpaid (Page 2, Line 12).....	7,610	743,352	0	0	0	750,962

### EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
<b>Pharmaceutical Rebate Receivables</b>						
0199998. Pharmaceutical Rebate Receivables Not Listed Individually.....	31,827	31,827	31,827	359,799	359,799	95,481
0199999. Total Pharmaceutical Rebate Receivables.....	31,827	31,827	31,827	359,799	359,799	95,481
<b>Other Receivables</b>						
0699998. Other Receivables Not Listed Individually.....	68,114	0	0	0	0	68,114
0699999. Total Other Receivables.....	68,114	0	0	0	0	68,114
0799999. Total Health Care Receivables.....	99,941	31,827	31,827	359,799	359,799	163,595

## EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

### Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
<b>Claims Unpaid (Reported)</b>						
0399999. Aggregate accounts not individually listed - covered.....	1,395,402	108,533	22,687	40,552		1,567,174
0499999. Subtotals.....	1,395,402	108,533	22,687	40,552	0	1,567,174
0599999. Unreported claim and other claim reserves.....						12,590,062
0699999. Total amounts withheld.....						10,828,420
0799999. Total claims unpaid.....						24,985,656

### EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
<b>Amounts Due From Parent, Subsidiaries and Affiliates</b>							
Arkansas Blue Cross and Blue Shield.....	2,173,245					2,173,245	
USAbled Administrators.....	(640)					(640)	
0199999. Individually listed receivables.....	2,172,605	0	0	0	0	2,172,605	0
0399999. Total gross amounts receivable.....	2,172,605	0	0	0	0	2,172,605	0

## EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
<b>Amounts Due To Parent, Subsidiaries and Affiliates</b>				
Arkansas Blue Cross and Blue Shield.....		6,879,769	6,879,769	
USAbLe Life.....		33,316	33,316	
AHIN.....		4,317	4,317	
0199999. Individually listed payables.....		6,917,402	6,917,402	0
0399999. Total gross payables.....		6,917,402	6,917,402	0

**EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS**

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total	3 Total Members Covered	4 Column 3 as a % of Total	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
<b>Capitation Payments:</b>						
1. Medical groups.....	343,063	0.2	3,518	100.0	343,063	
2. Intermediaries.....		0.0		0.0		
3. All other providers.....		0.0		0.0		
4. Total capitation payments.....	343,063	0.2	3,518	100.0	343,063	0
<b>Other Payments:</b>						
5. Fee-for-service.....	6,521,808	4.6	XXX	XXX		6,521,808
6. Contractual fee payments.....		0.0	XXX	XXX		
7. Bonus/withhold arrangements - fee-for-service.....		0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments.....	135,194,875	95.2	XXX	XXX	135,194,875	
9. Non-contingent salaries.....		0.0	XXX	XXX		
10. Aggregate cost arrangements.....		0.0	XXX	XXX		
11. All other payments.....		0.0	XXX	XXX		
12. Total other payments.....	141,716,683	99.8	XXX	XXX	135,194,875	6,521,808
13. Total (Line 4 plus Line 12).....	142,059,746	100.0	XXX	XXX	135,537,938	6,521,808

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**EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES**

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
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**NONE**

### EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment.....	3,718,257		3,718,257			0
2. Medical furniture, equipment and fixtures.....						0
3. Pharmaceuticals and surgical supplies.....						0
4. Durable medical equipment.....						0
5. Other property and equipment.....						0
6. Total.....	3,718,257	0	3,718,257	0	0	0



## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

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

BUSINESS IN THE STATE OF ARKANSAS DURING THE YEAR

(Location)

NAIC Group Code.....876

NAIC Company Code.....95442

	1 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										
<b>Total Members at end of:</b>													
1. Prior year.....	68,311		68,311										
2. First quarter.....	71,670		71,670										
3. Second quarter.....	69,688		69,688										
4. Third quarter.....	70,447		70,447										
5. Current year.....	70,708		70,708										
6. Current year member months.....	846,147		846,147										
<b>Total Member Ambulatory Encounters for Year:</b>													
7. Physician.....	60,783		60,783										
8. Non-physician.....	75,380		75,380										
9. Totals.....	136,163	0	136,163	0	0	0	0	0	0	0	0	0	0
10. Hospital patient days incurred.....	21,287		21,287										
11. Number of inpatient admissions.....	5,874		5,874										
12. Health premiums written.....	178,802,652		178,802,652										
13. Life premiums direct.....	0												
14. Property/casualty premiums written.....	0												
15. Health premiums earned.....	178,802,652		178,802,652										
16. Property/casualty premiums earned.....	0												
17. Amount paid for provision of health care services.....	142,059,746		142,059,746										
18. Amount incurred for provision of health care services.....	138,525,304		138,525,304										

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



## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

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

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR

(Location)

NAIC Group Code.....876

NAIC Company Code.....95442

	1 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										
<b>Total Members at end of:</b>													
1. Prior year.....	68,311		68,311										
2. First quarter.....	71,670		71,670										
3. Second quarter.....	69,688		69,688										
4. Third quarter.....	70,447		70,447										
5. Current year.....	70,708		70,708										
6. Current year member months.....	846,147		846,147										
<b>Total Member Ambulatory Encounters for Year:</b>													
7. Physician.....	60,783		60,783										
8. Non-physician.....	75,380		75,380										
9. Totals.....	136,163	0	136,163	0	0	0	0	0	0	0	0	0	0
10. Hospital patient days incurred.....	21,287		21,287										
11. Number of inpatient admissions.....	5,874		5,874										
12. Health premiums written.....	178,802,652		178,802,652										
13. Life premiums direct.....	0												
14. Property/casualty premiums written.....	0												
15. Health premiums earned.....	178,802,652		178,802,652										
16. Property/casualty premiums earned.....	0												
17. Amount paid for provision of health care services.....	142,059,746		142,059,746										
18. Amount incurred for provision of health care services.....	138,525,304		138,525,304										

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

**SCHEDULE A - VERIFICATION BETWEEN YEARS**

1.	Book/adjusted carrying value, December 31, prior year (prior year statement).....	_____
2.	Increase (decrease) by adjustment:	
2.1	Totals, Part 1, Column 11.....	_____
2.2	Totals, Part 3, Column 7.....	_____
3.	Cost of acquired (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9)).....	_____
4.	Cost of additions and permanent improvements:	
4.1	Totals, Part 1, Column 14.....	_____
4.2	Totals, Part 3, Column 9.....	_____
5.	Total profit (loss) on sales, Part 3, Column 14.....	<b>NONE</b>
6.	Increase (decrease) by foreign exchange adjustment:	
6.1	Totals, Part 1, Column 12.....	_____
6.2	Totals, Part 3, Column 8.....	_____
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 13.....	_____
8.	Book/adjusted carrying value at end of current period.....	0
9.	Total valuation allowance.....	_____
10.	Subtotal (Lines 8 plus 9).....	0
11.	Total nonadmitted amounts.....	_____
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column).....	0

**SCHEDULE B - VERIFICATION BETWEEN YEARS**

1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year.....	_____
2.	Amount loaned during year:	
2.1	Actual cost at time of acquisitions.....	_____
2.2	Additional investment made after acquisitions.....	0
3.	Accrual of discount and mortgage interest points and commitment fees.....	_____
4.	Increase (decrease) by adjustment.....	<b>NONE</b>
5.	Total profit (loss) on sale.....	_____
6.	Amounts paid on account or in full during the year.....	_____
7.	Amortization of premium.....	_____
8.	Increase (decrease) by foreign exchange adjustment.....	_____
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0
10.	Total valuation allowance.....	_____
11.	Subtotal (Lines 9 plus 10).....	0
12.	Total nonadmitted amounts.....	_____
13.	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column).....	0

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	_____
2.	Cost of acquisitions during year:	
2.1	Actual cost at time of acquisitions.....	_____
2.2	Additional investment made after acquisitions.....	0
3.	Accrual of discount.....	_____
4.	Increase (decrease) by adjustment.....	_____
5.	Total profit (loss) on sale.....	_____
6.	Amounts paid on account or in full during the year.....	<b>NONE</b>
7.	Amortization of premium.....	_____
8.	Increase (decrease) by foreign exchange adjustment.....	_____
9.	Book/adjusted carrying value of long-term invested assets at end of current period.....	0
10.	Total valuation allowance.....	_____
11.	Subtotal (Lines 9 plus 10).....	0
12.	Total nonadmitted amounts.....	_____
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	0

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Class 1.....	11,928,477	1,095,547	5,674,446			18,698,470	39.8	1,115,650	3.4	18,698,469	
1.2 Class 2.....						0	0.0				
1.3 Class 3.....						0	0.0				
1.4 Class 4.....						0	0.0				
1.5 Class 5.....						0	0.0				
1.6 Class 6.....						0	0.0				
1.7 Totals.....	11,928,477	1,095,547	5,674,446	0	0	18,698,470	39.8	1,115,650	3.4	18,698,469	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Class 1.....						0	0.0				
2.2 Class 2.....						0	0.0				
2.3 Class 3.....						0	0.0				
2.4 Class 4.....						0	0.0				
2.5 Class 5.....						0	0.0				
2.6 Class 6.....						0	0.0				
2.7 Totals.....	0	0	0	0	0	0	0.0	0		0	0
<b>3. States, Territories and Possessions, etc., Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Class 1.....		3,355,777				3,355,777	7.1	2,107,503	6.3	3,355,777	
3.2 Class 2.....						0	0.0				
3.3 Class 3.....						0	0.0				
3.4 Class 4.....						0	0.0				
3.5 Class 5.....						0	0.0				
3.6 Class 6.....						0	0.0				
3.7 Totals.....	0	3,355,777	0	0	0	3,355,777	7.1	2,107,503	6.3	3,355,777	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Class 1.....						0	0.0				
4.2 Class 2.....						0	0.0				
4.3 Class 3.....						0	0.0				
4.4 Class 4.....						0	0.0				
4.5 Class 5.....						0	0.0				
4.6 Class 6.....						0	0.0				
4.7 Totals.....	0	0	0	0	0	0	0.0	0		0	0
<b>5. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Class 1.....	2,500,000	3,931,064				6,431,064	13.7	8,643,537	26.0	6,431,064	
5.2 Class 2.....						0	0.0				
5.3 Class 3.....						0	0.0				
5.4 Class 4.....						0	0.0				
5.5 Class 5.....						0	0.0				
5.6 Class 6.....						0	0.0				
5.7 Totals.....	2,500,000	3,931,064	0	0	0	6,431,064	13.7	8,643,537	26.0	6,431,064	0

### SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusting Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Class 1.....		511,780				511,780	1.1	521,396	1.6	511,780	
6.2 Class 2.....						0	0.0				
6.3 Class 3.....						0	0.0				
6.4 Class 4.....						0	0.0				
6.5 Class 5.....						0	0.0				
6.6 Class 6.....						0	0.0				
6.7 Totals.....	0	511,780	0	0	0	511,780	1.1	521,396	1.6	511,780	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Class 1.....	6,753,126	8,807,984				15,561,110	33.1	15,921,869	47.8	15,561,110	
7.2 Class 2.....	499,529	931,282				1,430,811	3.0	3,256,576	9.8	1,430,811	
7.3 Class 3.....		998,345				998,345	2.1	997,539	3.0	998,345	
7.4 Class 4.....						0	0.0	746,621	2.2		
7.5 Class 5.....						0	0.0				
7.6 Class 6.....						0	0.0				
7.7 Totals.....	7,252,655	10,737,611	0	0	0	17,990,266	38.3	20,922,605	62.8	17,990,266	0
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Class 1.....						0	0.0				
8.2 Class 2.....						0	0.0				
8.3 Class 3.....						0	0.0				
8.4 Class 4.....						0	0.0				
8.5 Class 5.....						0	0.0				
8.6 Class 6.....						0	0.0				
8.7 Totals.....	0	0	0	0	0	0	0.0	0		0	0
<b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Class 1.....						0	0.0				
9.2 Class 2.....						0	0.0				
9.3 Class 3.....						0	0.0				
9.4 Class 4.....						0	0.0				
9.5 Class 5.....						0	0.0				
9.6 Class 6.....						0	0.0				
9.7 Totals.....	0	0	0	0	0	0	0.0	0		0	0

### SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1.....	21,181,603	17,702,152	5,674,446	0	0	44,558,201	94.8	XXX	XXX	44,558,200	0
10.2 Class 2.....	499,529	931,282	0	0	0	1,430,811	3.0	XXX	XXX	1,430,811	0
10.3 Class 3.....	0	998,345	0	0	0	998,345	2.1	XXX	XXX	998,345	0
10.4 Class 4.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5.....	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.6 Class 6.....	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals.....	21,681,132	19,631,779	5,674,446	0	0	(b) 46,987,357	100.0	XXX	XXX	46,987,356	0
10.8 Line 10.7 as a % of Col. 6.....	46.1	41.8	12.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1.....	5,986,205	18,207,435	4,116,315			XXX	XXX	28,309,955	85.0	28,309,955	
11.2 Class 2.....	1,060,024	2,196,552				XXX	XXX	3,256,576	9.8	3,256,576	
11.3 Class 3.....		997,539				XXX	XXX	997,539	3.0	997,539	
11.4 Class 4.....	746,621					XXX	XXX	746,621	2.2	746,621	
11.5 Class 5.....						XXX	XXX	(c) 0	0.0		
11.6 Class 6.....						XXX	XXX	(c) 0	0.0		
11.7 Totals.....	7,792,850	21,401,526	4,116,315	0	0	XXX	XXX	(b) 33,310,691	100.0	33,310,691	0
11.8 Line 11.7 as a % of Col. 8.....	23.4	64.2	12.4	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1.....	21,181,603	17,702,153	5,674,446			44,558,202	94.8	28,309,955	85.0	44,558,202	XXX
12.2 Class 2.....	499,529	931,282				1,430,811	3.0	3,256,576	9.8	1,430,811	XXX
12.3 Class 3.....		998,345				998,345	2.1	997,539	3.0	998,345	XXX
12.4 Class 4.....						0	0.0	746,621	2.2	0	XXX
12.5 Class 5.....						0	0.0	0	0.0	0	XXX
12.6 Class 6.....						0	0.0	0	0.0	0	XXX
12.7 Totals.....	21,681,132	19,631,780	5,674,446	0	0	46,987,358	100.0	33,310,691	100.0	46,987,358	XXX
12.8 Line 12.7 as a % of Col. 6.....	46.1	41.8	12.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10.....	46.1	41.8	12.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1.....						0	0.0	0	0.0	XXX	0
13.2 Class 2.....						0	0.0	0	0.0	XXX	0
13.3 Class 3.....						0	0.0	0	0.0	XXX	0
13.4 Class 4.....						0	0.0	0	0.0	XXX	0
13.5 Class 5.....						0	0.0	0	0.0	XXX	0
13.6 Class 6.....						0	0.0	0	0.0	XXX	0
13.7 Totals.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6.....	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10.....	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

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- (a) Includes \$.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
- (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.
- (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5\* designations and \$.....0 current year, \$.....0 prior year of bonds with 5\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

## SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Issuer Obligations.....	11,928,477	1,095,547	5,674,446			18,698,470	39.8	1,115,650	3.4	18,698,469	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						0	0.0				
1.7 Totals.....	11,928,477	1,095,547	5,674,446	0	0	18,698,470	39.8	1,115,650	3.4	18,698,469	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Issuer Obligations.....						0	0.0				
2.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined.....						0	0.0				
2.4 Other.....						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
2.5 Defined.....						0	0.0				
2.6 Other.....						0	0.0				
2.7 Totals.....	0	0	0	0	0	0	0.0	0		0	0
<b>3. States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Issuer Obligations.....		3,355,777				3,355,777	7.1	2,107,503	6.3	3,355,777	
3.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined.....						0	0.0				
3.4 Other.....						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
3.5 Defined.....						0	0.0				
3.6 Other.....						0	0.0				
3.7 Totals.....	0	3,355,777	0	0	0	3,355,777	7.1	2,107,503	6.3	3,355,777	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Issuer Obligations.....						0	0.0				
4.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined.....						0	0.0				
4.4 Other.....						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
4.5 Defined.....						0	0.0				
4.6 Other.....						0	0.0				
4.7 Totals.....	0	0	0	0	0	0	0.0	0		0	0
<b>5. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Issuer Obligations.....	2,500,000	3,931,064				6,431,064	13.7	8,643,537	26.0	6,431,064	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined.....						0	0.0				
5.4 Other.....						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
5.5 Defined.....						0	0.0				
5.6 Other.....						0	0.0				
5.7 Totals.....	2,500,000	3,931,064	0	0	0	6,431,064	13.7	8,643,537	26.0	6,431,064	0

## SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Issuer Obligations.....		511,780				511,780	1.1	521,396	1.6	511,780	
6.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined.....						0	0.0				
6.4 Other.....						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
6.5 Defined.....						0	0.0				
6.6 Other.....						0	0.0				
6.7 Totals.....	0	511,780	0	0	0	511,780	1.1	521,396	1.6	511,780	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Issuer Obligations.....	7,252,654	10,737,611				17,990,265	38.3	20,922,605	62.8	17,990,266	
7.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined.....						0	0.0				
7.4 Other.....						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
7.5 Defined.....						0	0.0				
7.6 Other.....						0	0.0				
7.7 Totals.....	7,252,654	10,737,611	0	0	0	17,990,265	38.3	20,922,605	62.8	17,990,266	0
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Issuer Obligations.....						0	0.0				
8.7 Totals.....	0	0	0	0	0	0	0.0	0		0	0
<b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Issuer Obligations.....						0	0.0				
9.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined.....						0	0.0				
9.4 Other.....						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
9.5 Defined.....						0	0.0				
9.6 Other.....						0	0.0				
9.7 Totals.....	0	0	0	0	0	0	0.0	0		0	0

## SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations.....	21,681,131	19,631,779	5,674,446	0	0	46,987,356	100.0	XXX	XXX	46,987,356	0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
10.5 Defined.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals.....	21,681,131	19,631,779	5,674,446	0	0	46,987,356	100.0	XXX	XXX	46,987,356	0
10.8 Line 10.7 as a % of Col. 6.....	46.1	41.8	12.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations.....	7,792,850	21,401,526	4,116,315			XXX	XXX	33,310,691	100.0	33,310,691	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						XXX	XXX	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined.....						XXX	XXX	0	0.0		
11.4 Other.....						XXX	XXX	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
11.5 Defined.....						XXX	XXX	0	0.0		
11.6 Other.....						XXX	XXX	0	0.0		
11.7 Totals.....	7,792,850	21,401,526	4,116,315	0	0	XXX	XXX	33,310,691	100.0	33,310,691	0
11.8 Line 11.7 as a % of Col. 8.....	23.4	64.2	12.4	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations.....	21,681,131	19,631,780	5,674,446			46,987,357	100.0	33,310,691	100.0	46,987,357	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						0	0.0	0	0.0	0	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined.....						0	0.0	0	0.0	0	XXX
12.4 Other.....						0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
12.5 Defined.....						0	0.0	0	0.0	0	XXX
12.6 Other.....						0	0.0	0	0.0	0	XXX
12.7 Totals.....	21,681,131	19,631,780	5,674,446	0	0	46,987,357	100.0	33,310,691	100.0	46,987,357	XXX
12.8 Line 12.7 as a % of Col. 6.....	46.1	41.8	12.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10.....	46.1	41.8	12.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations.....						0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities.....						0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined.....						0	0.0	0	0.0	XXX	0
13.4 Other.....						0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
13.5 Defined.....						0	0.0	0	0.0	XXX	0
13.6 Other.....						0	0.0	0	0.0	XXX	0
13.7 Totals.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6.....	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10.....	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

## SCHEDULE DA - PART 2

### Verification of SHORT-TERM INVESTMENTS Between Years

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value December 31 of prior year.....	1,691,325	1,691,325			
2. Cost of short-term investments acquired.....	84,187,337	84,187,337			
3. Increase (decrease) by adjustment.....	55,245	55,245			
4. Increase (decrease) by foreign exchange adjustment.....	.0				
5. Total profit (loss) on disposal of short-term investments.....	.0				
6. Consideration received on disposal of short-term investments.....	71,001,579	71,001,579			
7. Book/adjusted carrying value, current year.....	14,932,328	14,932,328	.0	.0	.0
8. Total valuation allowance.....	.0				
9. Subtotal (Lines 7 plus 8).....	14,932,328	14,932,328	.0	.0	.0
10. Total nonadmitted amounts.....	.0				
11. Statement value (Lines 9 minus 10).....	14,932,328	14,932,328	.0	.0	.0
12. Income collected during year.....	174,015	174,015			
13. Income earned during year.....	200,263	200,263			

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(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:.....

**Sch. DB-Pt.A-Verification Between Years  
NONE**

**Sch. DB-Pt.B-Verification Between Years  
NONE**

**Sch. DB-Pt.C-Verification Between Years  
NONE**

**Sch. DB-Pt.D-Verification Between Years  
NONE**

**Sch. DB-Pt.E-Verification  
NONE**

**Sch. DB-Pt. F-Sn. 1  
NONE**

**Sch. DB-Pt. F-Sn. 2  
NONE**

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

## SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Paid Losses	7 Unpaid Losses
<b>Accident and Health - Affiliates</b>						
83470.....	71-0226428.....	.....01/01/1996	Arkansas Blue Cross and Blue Shield.....	Little Rock, AR.....	.....637,775	.....5,174,568
0499999	Total - Affiliates.....				.....637,775	.....5,174,568
0699999	Total - Accident and Health.....				.....637,775	.....5,174,568
0799999	Totals - Life, Annuity and Accident and Health.....				.....637,775	.....5,174,568

**SCHEDULE S - PART 3 - SECTION 2**

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Type	7 Premiums	8 Unearned Premiums (estimated)	9 Reserve Credit Taken Other Than for Unearned Premiums	Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		
<b>Affiliates</b>												
83470.....	71-0226428.....	.01/01/1996	Arkansas Blue Cross and Blue Shield.....	Little Rock, AR.....	OTH/A/G.....	58,888,185						
83470.....	71-0226428.....	.01/01/1996	Arkansas Blue Cross and Blue Shield.....	Little Rock, AR.....	ASL/A/G.....	1,723,067						
0199999	Total - Affiliates.....					60,611,252	0	0	0	0	0	0
0399999	Totals.....					60,611,252	0	0	0	0	0	0

**SCHEDULE S - PART 4**  
 Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total (Cols. 5 + 6 + 7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9 + 10 + 11 + 12 + 13 But Not in Excess of Col. 8

**NONE**

## SCHEDULE S - PART 5

Five-Year Exhibit of Reinsurance Ceded Business  
(000 Omitted)

	1 2004	2 2003	3 2002	4 2001	5 2000
<b>A. OPERATIONS ITEMS</b>					
1. Premiums.....	60,611	90,647	101,614	137,377	109,931
2. Title XVIII - Medicare.....			916	59,802	57,398
3. Title XIX - Medicaid.....					
4. Commissions and reinsurance expense allowance.....					17,985
5. Total hospital and medical expenses.....	43,039	66,260	72,304	172,382	157,503
<b>B. BALANCE SHEET ITEMS</b>					
6. Premiums receivable.....	1,967	2,075	1,340	2,445	2,427
7. Claims payable.....	5,175	5,990	8,937	25,677	20,710
8. Reinsurance recoverable on paid losses.....	638	708	1,172	947	854
9. Experience rating refunds due or unpaid.....					
10. Commissions and reinsurance expense allowances unpaid.....					
11. Unauthorized reinsurance offset.....					
<b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
12. Funds deposited by and withheld from (F).....					
13. Letters of credit (L).....					
14. Trust agreements (T).....					
15. Other (O).....					

## SCHEDULE S - PART 6

### Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 10).....	76,521,274		76,521,274
2. Accident and health premiums due and unpaid (Line 12).....	750,962	1,967,504	2,718,466
3. Amounts recoverable from reinsurers (Line 13.1).....	637,775	(637,775)	0
4. Net credit for ceded reinsurance.....	XXX		0
5. All other admitted assets (balance).....	10,541,082	3,844,839	14,385,921
6. Totals assets (Line 26).....	88,451,093	5,174,568	93,625,661
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1).....	19,811,088	5,174,568	24,985,656
8. Accrued medical incentive pool and bonus payments (Line 2).....			0
9. Premiums received in advance (Line 8).....	1,225,292		1,225,292
10. Reinsurance in unauthorized companies (Line 18).....			0
11. All other liabilities (balance).....	20,533,419		20,533,419
12. Total liabilities (Line 22).....	41,569,799	5,174,568	46,744,367
13. Total capital and surplus (Line 30).....	46,881,294	XXX	46,881,294
14. Total liabilities, capital and surplus (Line 31).....	88,451,093	5,174,568	93,625,661
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
15. Claims unpaid.....	5,174,568		
16. Accrued medical incentive pool.....	0		
17. Premiums received in advance.....	0		
18. Reinsurance recoverable on paid losses.....	637,775		
19. Other ceded reinsurance recoverables.....	0		
20. Total ceded reinsurance recoverables.....	5,812,343		
21. Premiums receivable.....	1,967,504		
22. Unauthorized reinsurance.....	0		
23. Other ceded reinsurance payables/offsets.....	3,844,839		
24. Total ceded reinsurance payables/offsets.....	5,812,343		
25. Total net credit for ceded reinsurance.....	0		

## SCHEDULE Y (Continued)

### PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
<b>Affiliated Transactions</b>												
83470.....	71-0226428.....	Arkansas Blue Cross and Blue Shield.....					(9,360,198)	(14,467,421)			(23,827,619)	(7,104,512)
	71-0525643.....	Educational Benefits, Inc.....	(163,666)				(203,289)				(366,955)	
	71-0628367.....	Group Service Underwriters, Inc.....					(1,024,754)				(1,024,754)	
95442.....	71-0747497.....	HMO Partners, Inc.....	(437,000)				11,097,934	12,959,112			23,620,046	5,812,343
	71-0246079.....	USAble Corp.....	1,060,238								1,060,238	
94358.....	71-0505232.....	USAble Life.....	(459,572)				(1,074,380)	1,508,309			(25,643)	1,292,169
	71-0653848.....	Select Data Service Administrators, Inc.....					564,687				564,687	
9999999	Control Totals.....		0	0	0	0	0	0	XXX	0	0	0

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

**MARCH FILING**

1. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?
3. Will an actuarial certification be filed with this statement by March 1?
4. Will the Risk-Based Capital Report be filed with the NAIC by March 1?
5. Will the Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?
6. Will the Life Supplement be filed with the state of domicile and the NAIC by March 1?
7. Will the Property/Casualty Supplement be filed with the state of domicile and the NAIC by March 1?

**APRIL FILING**

8. Will Management's Discussion and Analysis be filed by April 1?
9. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile by April 1?
10. Will the Investment Risk Interrogatories be filed by April 1?

**JUNE FILING**

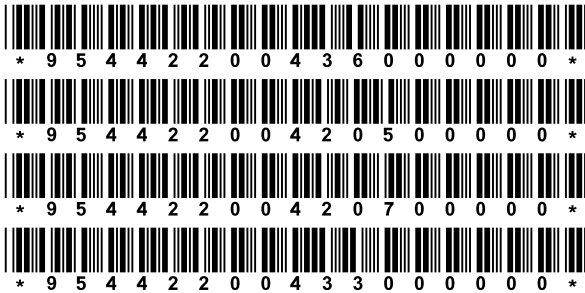
11. Will an audited financial report be filed by June 1 with the state of domicile?

**RESPONSES**

NO
YES
YES
YES
YES
NO
NO
YES
NO
YES
YES

**EXPLANATIONS:**

**BAR CODE:**



## Overflow Page for Write-Ins

**Additional Write-ins for Underwriting and Investment Exhibit-Part 3:**

	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
2504. Ceded Admin Expenses.....	(2,395,090)	(1,270,330)	(10,424,334)		(14,089,754)
2597. Summary of remaining write-ins for Line 25.....	(2,395,090)	(1,270,330)	(10,424,334)	0	(14,089,754)

## Overflow Page for Write-Ins



**MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT**  
FOR THE STATE OF.....Arkansas

NAIC Group Code.....876  
Address (City, State and Zip Code).....  
Person Completing This Exhibit.....  
Title.....

NAIC Company Code.....95442  
Telephone Number.....

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Characteristics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 <b>NONE</b> Policy Marketing Trade Name	11 Premiums Earned	Policies Issued Through 2001			Policies Issued in 2002, 2003 & 2004			
											12 Incurring Claims		14 Number of Covered Lives	15 Premiums Earned	16 Incurring Claims		18 Number of Covered Lives
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	

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**GENERAL INTERROGATORIES**

1. If response in Column 1 is no, give full and complete details.....
  
2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
  - 2.1 Address.....
  - 2.2 Contact person and phone number.....
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
  - 3.1 Address.....
  - 3.2 Contact person and phone number.....
4. Explain any policies identified as policy type "O".

**NONE**

## Overflow Page for Write-Ins