



# HEALTH QUARTERLY STATEMENT

As of March 31, 2019  
of the Condition and Affairs of the

## USable Mutual Insurance Company

NAIC Group Code.....876, 876 (Current Period) (Prior Period) NAIC Company Code..... 83470 Employer's ID Number..... 71-0226428

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 Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized..... December 10, 1948 Commenced Business..... March 2, 1949

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

Main Administrative Office 601 S. Gaines .. Little Rock .. AR .. US .. 72201 501-378-2000  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 601 S. Gaines .. Little Rock .. AR .. US .. 72201  
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 601 S. Gaines .. Little Rock .. AR .. US .. 72201 501-378-2000  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.arkansasbluecross.com

Statutory Statement Contact Scott Bradley Winter 501-399-3951  
(Name) (Area Code) (Telephone Number) (Extension)  
sbwinter@arkbluecross.com 501-378-3258  
(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title	Name	Title
1. Curtis Edwin Barnett	President / CEO	2. Calvin Eugene Kellogg	EVP / Chief Strategy Officer
3. Gray Donald Dillard	Treasurer / CFO	4. Timothy Gerard Gauger	Secretary

### OTHER

Stephen William Abell	James Robert Bailey
Alicia Marie Berkemeyer	Judy Dawn Blevins
James Daniel Bloodworth	David Frank Bridges
Richard Shelby Cooper	Victor Pratt Davis
Ronald Walter DeBerry	Matthew Richard Flora
Kimberly Ann Henderson	Harvey David Jacobson
Anthony Marcus James	David Bryan Martin
Connie Annelle Meeks	Hal Jackson Norman
Eric Richard Paczewitz	Kathleen O'Dea Ryan
Wendy Womack See	Philip Eugene Sherrill
Steven Aaron Spaulding	Joanna Maria Thomas
Scott Bradley Winter	

### DIRECTORS OR TRUSTEES

Curtis Edwin Barnett	Susan Glover Brittain	Robert Vincent Brothers	Mark William Greenway
James Virgil Kelley	Mahlon Ogden Maris MD	Carla Marie Martin	James Thomas May
Robert Daniel Nabholz	Marla Kay Johnson	Ben Edwin Owens	Robert Lee Shoptaw
Sherman Ellis Tate	Rex Moreland Terry	Paul Mark White	

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 (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

_____ (Signature) Curtis Edwin Barnett 1. (Printed Name) President / CEO (Title)	_____ (Signature) Calvin Eugene Kellogg 2. (Printed Name) EVP / Chief Strategy Officer (Title)	_____ (Signature) Gray Donald Dillard 3. (Printed Name) Treasurer / CFO (Title)
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Subscribed and sworn to before me This \_\_\_\_\_ day of \_\_\_\_\_

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

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

**ASSETS**

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	677,864,045		677,864,045	685,403,413
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	232,851,501		232,851,501	226,494,090
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	50,787,728		50,787,728	52,222,305
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	6,829,517		6,829,517	6,815,844
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....68,168,781), cash equivalents (\$....73,371,933) and short-term investments (\$....95,446,090).....	236,986,804		236,986,804	196,887,883
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	204,089,513		204,089,513	201,004,379
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	3,362,985	0	3,362,985	3,453,292
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,412,772,093	0	1,412,772,093	1,372,281,206
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	5,558,788		5,558,788	5,195,883
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$....141,671,601) and contracts subject to redetermination (\$....7,037,099).....	148,708,700	203,078	148,505,623	139,134,883
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	4,070,630		4,070,630	3,912,250
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....	76,000,767	831,225	75,169,541	65,893,055
18.1 Current federal and foreign income tax recoverable and interest thereon.....	470		470	8,146,512
18.2 Net deferred tax asset.....	94,160,419	52,767,120	41,393,299	33,569,159
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	12,011,271	7,065,085	4,946,185	6,042,976
21. Furniture and equipment, including health care delivery assets (\$.....0).....	28,433,592	28,433,592	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	10,536,039	1,633,687	8,902,352	11,515,000
24. Health care (\$....23,542,916) and other amounts receivable.....	65,592,656	8,094,434	57,498,221	62,356,580
25. Aggregate write-ins for other than invested assets.....	87,452,131	44,846,271	42,605,860	39,257,458
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,945,297,555	143,874,493	1,801,423,062	1,747,304,961
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	1,945,297,555	143,874,493	1,801,423,062	1,747,304,961

**DETAILS OF WRITE-INS**

1101. Deposits with National Accounts.....	3,362,985		3,362,985	3,453,292
1102. ....			0	
1103. ....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	3,362,985	0	3,362,985	3,453,292
2501. Supplemental Savings Plan.....	42,305,119		42,305,119	38,956,717
2502. Other Assets.....	300,741		300,741	300,741
2503. Other Non-Admitted Assets.....	44,846,271	44,846,271	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	87,452,131	44,846,271	42,605,860	39,257,458

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....6,433,179 reinsurance ceded).....	235,625,654	588,865	236,214,519	200,536,836
2. Accrued medical incentive pool and bonus amounts.....	4,414,039		4,414,039	6,363,732
3. Unpaid claims adjustment expenses.....	5,950,983		5,950,983	6,442,803
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	134,244,303		134,244,303	132,350,868
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	32,034,552		32,034,552	30,648,261
9. General expenses due or accrued.....	357,006,883		357,006,883	396,842,462
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....	7,805,596		7,805,596	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....	4,434,945		4,434,945	4,231,752
12. Amounts withheld or retained for the account of others.....	49,131,232		49,131,232	47,440,754
13. Remittances and items not allocated.....	9,413,146		9,413,146	1,064,794
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	509,240		509,240	1,098,024
16. Derivatives.....			0	
17. Payable for securities.....	1,167,140		1,167,140	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and certified \$.....0 reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	64,512,110		64,512,110	67,767,650
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	21,896,487	0	21,896,487	21,971,594
24. Total liabilities (Lines 1 to 23).....	928,146,309	588,865	928,735,174	916,759,531
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	872,687,890	830,545,432
32. Less treasury stock, at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	872,687,890	830,545,432
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	1,801,423,064	1,747,304,962

**DETAILS OF WRITE-INS**

2301. Deferred Gain on Capitalization of joint venture.....	19,617,685		19,617,685	19,617,685
2302. Miscellaneous.....	2,278,802		2,278,802	2,353,909
2303. ....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	21,896,487	0	21,896,487	21,971,594
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001. ....				
3002. ....				
3003. ....				
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months.....	XXX	1,845,076	1,970,412	7,739,589
2. Net premium income (including \$.....0 non-health premium income).....	XXX	608,398,552	640,283,785	2,481,886,532
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	868,064	(3,447,912)	(1,660,432)
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX			
5. Risk revenue.....	XXX			
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	609,266,616	636,835,873	2,480,226,100
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....		291,437,227	276,222,915	1,116,050,358
10. Other professional services.....		11,258,787	9,863,442	41,283,042
11. Outside referrals.....		5,681,974	7,283,066	28,141,302
12. Emergency room and out-of-area.....		53,234,557	63,185,295	250,371,934
13. Prescription drugs.....		126,494,355	118,484,317	504,926,292
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		2,025,910	2,367,363	15,240,454
16. Subtotal (Lines 9 to 15).....	0	490,132,809	477,406,398	1,956,013,381
<b>Less:</b>				
17. Net reinsurance recoveries.....		(9,243,185)	(14,294,504)	(53,081,641)
18. Total hospital and medical (Lines 16 minus 17).....	0	499,375,994	491,700,901	2,009,095,022
19. Non-health claims (net).....				
20. Claims adjustment expenses, including \$.....1,784,108 cost containment expenses.....		22,453,952	31,973,271	97,996,875
21. General administrative expenses.....		51,276,611	73,739,731	388,768,746
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....			(540,483)	(2,161,932)
23. Total underwriting deductions (Lines 18 through 22).....	0	573,106,556	596,873,420	2,493,698,711
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	36,160,060	39,962,453	(13,472,612)
25. Net investment income earned.....		6,738,922	4,651,382	24,459,334
26. Net realized capital gains (losses) less capital gains tax of \$.....182,500.....		686,546	12,985,912	11,987,775
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	7,425,468	17,637,294	36,447,109
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....				
29. Aggregate write-ins for other income or expenses.....	0	229,635	352,731	2,646,386
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	43,815,163	57,952,478	25,620,883
31. Federal and foreign income taxes incurred.....	XXX	15,769,138	15,461,232	46,951,312
32. Net income (loss) (Lines 30 minus 31).....	XXX	28,046,025	42,491,246	(21,330,429)

**DETAILS OF WRITE-INS**

0601. ....	XXX			
0602. ....	XXX			
0603. ....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	0	0	0
0701. ....	XXX			
0702. ....	XXX			
0703. ....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX	0	0	0
1401. ....				
1402. ....				
1403. ....				
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901. Miscellaneous Income/Expense.....		237,640	352,731	2,647,320
2902. State Tax Expense.....		(8,005)		(934)
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	229,635	352,731	2,646,386

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

<b>CAPITAL AND SURPLUS ACCOUNT</b>	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year.....	830,545,434	866,336,545	866,336,545
34. Net income or (loss) from Line 32.....	28,046,025	42,491,246	(21,330,429)
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.....	12,217,025	(13,200,024)	(4,676,050)
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....	8,167,984	107,027	32,981,317
39. Change in nonadmitted assets.....	(6,474,424)	(22,435,948)	(43,449,469)
40. Change in unauthorized and certified 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.....	185,848	149,136	683,521
48. Net change in capital and surplus (Lines 34 to 47).....	42,142,459	7,111,437	(35,791,110)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	872,687,893	873,447,982	830,545,434

**DETAILS OF WRITE-INS**

4701. Capital Lease Adjustment.....	185,848	149,136	683,521
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	185,848	149,136	683,521

## CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	603,695,246	650,224,576	2,515,736,677
2. Net investment income.....	8,396,661	6,979,374	28,290,967
3. Miscellaneous income.....			
4. Total (Lines 1 through 3).....	612,091,907	657,203,950	2,544,027,644
5. Benefit and loss related payments.....	461,685,520	474,063,855	2,027,350,048
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	126,546,202	62,620,902	328,315,823
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.00 tax on capital gains (losses).....		0	49,894,072
10. Total (Lines 5 through 9).....	588,231,722	536,684,757	2,405,559,944
11. Net cash from operations (Line 4 minus Line 10).....	23,860,184	120,519,192	138,467,700
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	31,198,657	17,650,650	366,201,225
12.2 Stocks.....	1,537,780	32,512,826	40,682,671
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....	539,408		1,772,324
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			(23,687)
12.7 Miscellaneous proceeds.....	1,257,447	1,302,000	63,075
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	34,533,293	51,465,476	408,695,608
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	24,704,581	42,275,954	456,744,356
13.2 Stocks.....			3,143,066
13.3 Mortgage loans.....			
13.4 Real estate.....	145,253	4,318,662	9,321,980
13.5 Other invested assets.....	393,632	63,000,000	65,509,733
13.6 Miscellaneous applications.....		53	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	25,243,466	109,594,670	534,719,135
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).....	9,289,827	(58,129,194)	(126,023,527)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
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).....	6,948,910	(33,938,761)	4,165,150
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	6,948,910	(33,938,761)	4,165,150
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	40,098,922	28,451,237	16,609,323
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	196,887,881	180,278,558	180,278,558
19.2 End of period (Line 18 plus Line 19.1).....	236,986,803	208,729,795	196,887,881

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

20.0001			
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## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
<b>Total Members at End of:</b>										
1. Prior Year.....	618,679	198,714	128,820	119,685	29,083	51,682	65,882	12,449		12,364
2. First Quarter.....	616,276	202,881	119,418	119,422	30,759	50,779	70,852	9,457		12,708
3. Second Quarter.....	0									
4. Third Quarter.....	0									
5. Current Year.....	0									
6. Current Year Member Months.....	1,845,076	611,310	362,582	358,693	86,918	156,643	203,326	28,608		36,996
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician.....	748,716	81,749	39,312	513,873		113,782				
8. Non-Physician.....	661,500	94,213	37,188	530,099						
9. Total.....	1,410,216	175,962	76,500	1,043,972	0	113,782	0	0	0	0
10. Hospital Patient Days Incurred.....	153,212	18,128	67,813	67,271						
11. Number of Inpatient Admissions.....	18,530	4,280	5,853	8,397						
12. Health Premiums Written (a).....	596,206,081	267,214,222	139,586,215	67,453,422	2,040,576	13,006,275	70,436,794	27,338,142		9,130,436
13. Life Premiums Direct.....	0									
14. Property/Casualty Premiums Written.....	0									
15. Health Premiums Earned.....	597,074,145	267,213,719	139,588,534	67,221,412	2,040,576	13,059,467	71,481,956	27,338,142		9,130,340
16. Property/Casualty Premiums Earned.....	0									
17. Amount Paid for Provision of Health Care Services.....	451,702,139	184,129,124	104,965,974	58,733,654	840,547	9,521,321	64,944,054	22,697,441		5,870,024
18. Amount Incurred for Provision of Health Care Services.....	490,132,808	229,582,591	96,185,151	61,094,980	840,547	9,715,207	64,674,368	20,920,902		7,119,062

007

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees \$.....27,338,142.

## 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.....	39,455,237	1,408,179	48,082	17,610		40,929,108
0499999. Subtotals.....	39,455,237	1,408,179	48,082	17,610	0	40,929,108
0599999. Unreported Claims and Other Claim Reserves.....						201,718,591
0799999. Total Claims Unpaid.....						242,647,699
0899999. Accrued Medical Incentive Pool and Bonus Amounts.....						4,414,039



## UNDERWRITING AND INVESTMENT EXHIBIT

### Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	68,954,089	261,953,478	17,244,107	159,930,573	86,198,196	141,784,934
2. Medicare Supplement.....	16,711,479	42,022,174	1,771,865	20,698,135	18,483,344	20,475,000
3. Dental only.....	1,124,253	8,397,068	150,186	1,341,700	1,274,439	1,298,000
4. Vision only.....		840,547			0	
5. Federal Employees Health Benefits Plan.....	15,238,781	49,434,873	3,266,903	14,391,674	18,505,684	17,598,949
6. Title XVIII - Medicare.....	10,193,326	12,484,010	1,841,813	9,669,331	12,035,139	13,130,199
7. Title XIX - Medicaid.....					0	
8. Other health.....	44,615	5,824,466	821,639	5,086,592	866,254	6,249,754
9. Health subtotal (Lines 1 to 8).....	112,266,543	380,956,616	25,096,513	211,118,005	137,363,056	200,536,836
10. Healthcare receivables (a).....		31,536,899			0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....	1,945,029	2,016,714		4,414,039	1,945,029	6,363,732
13. Totals (Lines 9-10+11+12).....	114,211,572	351,436,431	25,096,513	215,532,044	139,308,085	206,900,568

609

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

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The financial statements of Arkansas Blue Cross and Blue Shield are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department.

The Arkansas Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Arkansas Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the Arkansas Insurance Department.

	SSAP #	F/S Page	F/S Line #	2019	2018
<b>NET INCOME</b>					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 28,046,025	\$ (21,330,429)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 28,046,025	\$ (21,330,429)
<b>SURPLUS</b>					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 872,687,890	\$ 830,545,432
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 872,687,890	\$ 830,545,432

**B. Use of Estimates in the Preparation of the Financial Statement**

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**C. Accounting Policy**

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds not backed by other loans and are stated at amortized cost using the interest method. The company is not currently holding any SVO-Identified investments.
- 3) Common Stocks are carried at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- 4) The Company does not have preferred stock.
- 5) The Company does not have mortgage loans.
- 6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities.
- 7) Common stock investments in affiliates including limited liability companies are carried at their NAIC SAP or GAAP equity values in accordance with the requirements of SSAP no. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities*.
- 8) The Company has investments in joint ventures, partnerships and limited liability companies. See (7) above for accounting policy.
- 9) The Company does not have derivatives.
- 10) The Company does not have premium deficiency reserves.
- 11) When setting reserves, the Company employs the 5 methods that are described below. Based on the estimates of these methods and also retrospective considerations, the company sets a best estimate and then an explicit margin is added to ensure that the estimate is sufficient. The average of the methods, as well as the spread of the estimates, is also considered when setting the respective liabilities. Aggregate liabilities are tested against other aggregate estimation methods to check for reasonableness, and any additional margin or adjustments are made.
  - a. **Aggregate Method:** 12 months of paid claims are subtracted from 12 months of estimated incurred claims to get the liability estimate
  - b. **3 Month Average Method:** For the base liability estimate, the average liability of the third, fourth, and fifth month prior to the current month is used. Adjustments are made for trend, membership change, and backlog to determine the current month's estimate of liability.
  - c. **Previous Year's IBNR Method** This method is similar to the Three Month Average Method, except that the actual reserve from one year ago is used as the base estimate of liability. This is projected forward using adjustments for trend, membership change, and backlog.
  - d. **CY Lag Method:** This method calculates completion factors by incurral year. Completion factors used for the current year are based on the previous year's experience. Completion factors for the most recent 3 years are set manually.
  - e. **12 Month CF Method:** This method is identical to the CY Lag Method, except that historical completion factors are based on 12 months of rolling data.
- 12) No change in the capitalization policy this year.
- 13) Pharmacy rebate receivable estimates are based upon the prior quarter's invoiced amounts.

**NOTES TO FINANCIAL STATEMENTS****D. Going Concern**

For the period ending March 31, 2019 management has evaluated the Company's ability to continue as a going concern. Management has concluded that there is not substantial doubt that the Company can continue as a going concern, therefore, there are no policies in place to alleviate such situations.

**Note 2 – Accounting Changes and Corrections of Errors**

No significant changes

**Note 3 – Business Combinations and Goodwill**

No significant changes

**Note 4 – Discontinued Operations**

No significant changes

**Note 5 – Investments****D. Loan-Backed Securities****(1) Description of Sources Used to Determined Prepayment Assumptions**

For fixed-rate agency mortgage-backed securities, Clearwater Analytics calculates prepayment speeds utilizing Mortgage Industry Advisory Corporation (MIAC) Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer-consensus survey of long-term prepayment projections. For other mortgage-backed, loan-backed, and structured securities, Clearwater utilizes prepayment assumptions from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, Clearwater uses data from Reuters, which utilizes the median prepayment speed from contributors' models.

**(2) Other-Than-Temporary Impairments**

Not Applicable

**(3) Recognized OTTI securities**

Not Applicable

**(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):**

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$	4,350
	2. 12 Months or Longer	\$	4,561
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	1,950,824
	2. 12 Months or Longer	\$	1,021,430

**(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary**

Not Applicable

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions**

Not Applicable

**F. Repurchase Agreements Transactions Accounted for as Secured Borrowing**

Not Applicable

**G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing**

Not Applicable

**H. Repurchase Agreements Transactions Accounted for as a Sale**

Not Applicable

**I. Reverse Repurchase Agreements Transactions Accounted for as a Sale**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

M. Working Capital Finance Investments

Not Applicable

N. Offsetting and Netting of Assets and Liabilities

Not Applicable

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes

**Note 7 – Investment Income**

No significant changes

**Note 8 – Derivative Instruments**

H. The Aggregate, Non-Discounted Total Premium Cost for these Contracts and the Premium Cost Due in Each of the Following Four Years

Not Applicable

**Note 9 – Income Taxes**

A. The components of the net deferred tax asset/(liability) are as follows:

## 1. Components of Net Deferred Tax Asset/(Liability)

	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 108,974,200	\$ 789,724	\$ 109,763,924	\$ 102,165,437	\$ 789,724	\$ 102,955,161	\$ 6,808,763	\$	\$ 6,808,763
b. Statutory valuation allowance adjustment	1,522,500		1,522,500	1,522,500		1,522,500			
c. Adjusted gross deferred tax assets (1a-1b)	\$ 107,451,700	\$ 789,724	\$ 108,241,424	\$ 100,642,937	\$ 789,724	\$ 101,432,661	\$ 6,808,763	\$	\$ 6,808,763
d. Deferred tax assets nonadmitted	52,767,120		52,767,120	53,209,642		53,209,642	(442,522)		(442,522)
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 54,684,580	\$ 789,724	\$ 55,474,304	\$ 47,433,295	\$ 789,724	\$ 48,223,019	\$ 7,251,285	\$	\$ 7,251,285
f. Deferred tax liabilities	1,301,305	12,779,701	14,081,006	1,301,940	13,351,920	14,653,860	(635)	(572,219)	(572,854)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 53,383,275	\$ (11,989,977)	\$ 41,393,298	\$ 46,131,355	\$ (12,562,196)	\$ 33,569,159	\$ 7,251,920	\$ 572,219	\$ 7,824,139

## 2. Admission Calculation Components SSAP No. 101

	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 20,031,309	\$	\$ 20,031,309	\$ 30,798,193	\$	\$ 30,798,193	\$ (10,766,884)	\$	\$ (10,766,884)
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	21,361,989		21,361,989	2,770,967		2,770,967	18,591,022		18,591,022
1. Adjusted gross deferred tax	21,361,989		21,361,989	2,770,967		2,770,967	18,591,022		18,591,022

**NOTES TO FINANCIAL STATEMENTS**

	2019	2018	Change						
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
assets expected to be realized following the balance sheet date									
2. Adjusted gross deferred tax assets allowed per limitation threshold									
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	13,291,282	789,724	14,081,006	13,864,136	789,724	14,653,860	(572,854)		(572,854)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 54,684,580	\$ 789,724	\$ 55,474,304	\$ 47,433,296	\$ 789,724	\$ 48,223,020	\$ 7,251,284	\$	\$ 7,251,284

3. Other Admissibility Criteria

	2019	2018
a. Ratio percentage used to determine recovery period and threshold limitation amount	835.0%	760.1%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 716,170,218	\$ 737,806,812

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	2019		2018		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 107,451,700	\$ 789,724	\$ 100,642,937	\$ 789,724	\$ 6,808,763	\$
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 54,684,580	\$ 789,724	\$ 47,433,295	\$ 789,724	\$ 7,251,285	\$
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

(b) Does the company's tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## C. Current and Deferred Income Taxes

## 1. Current Income Tax

	1	2	3
	2019	2018	(Col 1-2) Change
a. Federal	\$ 15,769,139	\$ 49,760,046	\$ (33,990,907)
b. Foreign	\$	\$	\$
c. Subtotal	\$ 15,769,139	\$ 49,760,046	\$ (33,990,907)
d. Federal income tax on net capital gains	\$ 182,500	\$ 3,275,008	\$ (3,092,508)
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$	\$ (2,808,734)	\$ 2,808,734
g. Federal and Foreign income taxes incurred	\$ 15,951,639	\$ 50,226,320	\$ (34,274,681)

## 2. Deferred Tax Assets

	1	2	3
	2019	2018	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 750,201	\$ 762,084	\$ (11,883)
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs	399,419	436,272	(36,853)
6. Policyholder dividends accrual			
7. Fixed assets	5,420,646	4,889,058	531,588
8. Compensation and benefits accrual	39,401,756	41,162,866	(1,761,110)
9. Pension accrual			
10. Receivables - nonadmitted	14,732,458	12,869,335	1,863,123
11. Net operating loss carry-forward			
12. Tax credit carry-forward	1,385,484	2,770,967	(1,385,483)
13. Other (items <=5% and >5% of total ordinary tax assets)	46,884,236	39,274,855	7,609,381
Other (items listed individually >5% of total ordinary tax assets)			
99. Subtotal	108,974,200	102,165,437	6,808,763
b. Statutory valuation allowance adjustment	1,522,500	1,522,500	
c. Nonadmitted	52,767,120	53,209,642	(442,522)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	54,684,580	47,433,295	7,251,285
e. Capital:			
1. Investments	\$ 789,724	\$ 789,724	\$
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 789,724	\$ 789,724	\$
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	789,724	789,724	
i. Admitted deferred tax assets (2d+2h)	\$ 55,474,304	\$ 48,223,019	\$ 7,251,285

## 3. Deferred Tax Liabilities

	1	2	3
	2019	2018	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 194,635	\$ 195,270	\$ (635)
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)	1,106,670	1,106,670	
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	1,301,305	1,301,940	(635)
b. Capital:			
1. Investments	12,779,701	13,351,920	(572,219)
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	12,779,701	13,351,920	(572,219)
c. Deferred tax liabilities (3a99+3b99)	\$ 14,081,006	\$ 14,653,860	\$ (572,854)
4. Net Deferred Tax Assets (2i - 3c)	\$ 41,393,298	\$ 33,569,159	\$ 7,824,139

**NOTES TO FINANCIAL STATEMENTS**

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

	Amount	Effective Tax Rate (%)
<b>Permanent Differences:</b>		
Provision computed at statutory rate	\$ 9,239,509	21.0%
Proration of tax exempt investment income	314,895	0.7%
Tax exempt income deduction	(72,676)	(0.2)%
Dividends received deduction	(1,186,906)	(2.7)%
Disallowed travel and entertainment		%
Other permanent differences	61,041	0.1%
<b>Temporary Differences:</b>		
Total ordinary DTAs		%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
<b>Other:</b>		
Statutory valuation allowance adjustment		%
Accrual adjustment – prior year		%
Other	(572,207)	(1.3)%
Totals	7,783,656	17.7%
Federal and foreign income taxes incurred	15,769,139	35.8%
Realized capital gains (losses) tax	182,500	0.4%
Change in net deferred income taxes	(8,167,982)	(18.6)%
Total statutory income taxes	\$ 7,783,657	17.7%

E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:

At March 31, 2018, the Company did not have any unused operating loss carryforwards available to offset against future taxable income

2. The following is income tax expense for current year and preceding years that is available for recoupment in the event of future net losses:

Year	Amounts
2018	\$ 19,943,825
2017	\$ 2,121,266

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code is 0.

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

USAbLe Mutual Insurance Company  
USAbLe Corporation  
Group Service Underwriters Inc  
USAbLe Partners LLC

2. The method of allocation among companies is subject to a written agreement, approved by the required authorized officers. The method of allocation chosen is in accordance with IRS Regulation 1.1502-33(d)(2)(I) whereby profitable companies pay tax according to their income or losses. Intercompany tax balances are paid quarterly based on estimates and settled annual upon completion of the consolidated tax return.

Federal or Foreign Federal Income Tax Loss Contingencies

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

**Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

No significant changes

**Note 11 – Debt**

B. FHLB (Federal Home Loan Bank) Agreements

Not Applicable

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

A. Defined Benefit Plan

**NOTES TO FINANCIAL STATEMENTS**

## (4) Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	Current Year to Date	2018	Current Year to Date	2018	Current Year to Date	2018
a. Service cost	\$	\$	\$ 161,500	\$ 836,000	\$	\$
b. Interest cost			1,443,500	5,387,000		
c. Expected return on plan assets						
d. Transition asset or obligation						
e. Gains and losses			(458,500)	544,000		
f. Prior service cost or credit				(2,614,000)		
g. Gain or loss recognized due to a settlement curtailment						
h. Total net periodic benefit cost	\$	\$	\$ 1,146,500	\$ 4,153,000	\$	\$

**Note 13 – Capital and Surplus, Shareholder’s Dividend Restrictions and Quasi-Reorganizations**

No significant changes

**Note 14 – Liabilities, Contingencies and Assessments**

No significant changes

**Note 15 – Leases**

No significant changes

**Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

No significant changes

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

B. Transfer and Servicing of Financial Assets

Not Applicable

C. Wash Sales

Not Applicable

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

No significant changes

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

No significant changes

**Note 20 – Fair Value Measurements**

A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

Description for Each Type of Asset or Liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
<b>Assets at Fair Value</b>					
Other Invested Assets	\$	\$	\$	\$ 110,351,468	\$ 110,351,468
Bonds	\$	\$	\$	\$	\$
Indust. & Misc	\$	\$ 635,168	\$	\$	\$ 635,168
Common Stock	\$	\$	\$	\$	\$
Indust. & Misc.	\$ 45,454,177	\$ 8,979,518	\$	\$	\$ 54,433,695
Parent Subsid. & Affil.	\$	\$	\$ 173,810,784	\$	\$ 173,810,784
Total	\$ 45,454,177	\$ 9,614,686	\$ 173,810,784	\$ 110,351,468	\$ 339,231,116
<b>Liabilities at Fair Value</b>					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$



**NOTES TO FINANCIAL STATEMENTS**

## (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance as of Current Period
<b>a. Assets</b>										
Parent, Subsidiaries and Affiliates	\$ 169,735,848	\$	\$	\$	\$ 4,074,936	\$	\$	\$	\$	\$ 173,810,784
<b>Total</b>	<b>\$ 169,735,848</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 4,074,936</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 173,810,784</b>
<b>b. Liabilities</b>										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

## (3) Policies when Transfers Between Levels are Recognized

Not Applicable

## (4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

Fair Value pricing obtained, where applicable from market prices provided by US Bank, Institutional Trust and Custody, custodian for investment assets, or where applicable, from the NAIC Valuation of Securities database, for assets not priced by US Bank. There has been no change in this valuation technique.

## (5) Fair Value Disclosures

Not Applicable

## B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not Applicable

## C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Other Invested Assets	\$ 110,351,468	\$ 110,351,468	\$	\$	\$	\$ 110,351,468	\$
Bonds	\$ 635,168	\$ 635,168	\$	\$ 635,168	\$	\$	\$
Common Stock	\$ 228,244,479	\$ 228,244,479	\$ 45,454,177	\$ 8,979,518	\$ 173,810,784	\$	\$

## D. If it is not practicable for an entity to estimate the fair value of a financial instrument or a class of financial instruments, disclose the information pertinent to estimating the fair value of that instrument and the reasons why it is not practicable to estimate fair value:

Not Applicable

## E. NAV Practical Expedient Investments

## 1. The NAV along with a description of the investment/investment strategy of the investee:

## Martingale Investment Trust – Series 1 Low Volatility Large Cap+

This strategy seeks to meet or exceed equity market returns while realizing significantly less volatility. This investment focuses on identifying and investing in low risk companies with sound fundamental properties. The portfolio is considered to be a low risk portfolio with broad, stable sector diversification. The fund contains 218 individual holdings at 03/31/2019 with the top 10% of all holdings representing 11.8% of all fund holdings. Overall, the risk target of this portfolio is to perform with 70%-80% of the overall market volatility of the Russell 1000 Index.

The fund is able to be liquidated on a monthly basis. Because the underlying portfolio contains assets that are part of the Russell 1000 Index, it is very probable that the fund would not liquidate at the NAV of a prior month. It is possible the fund could be liquidated at a higher or lower price depending on overall market actions.

## Barings U.S. Loan Fund Series – Tranche A

This Barings investment process is a focused and detailed fundamental bottom-up due diligence. The firm's investment philosophy is based on the belief that long-term, risk-adjusted returns can best be achieved through active portfolio management coupled with strong fundamental credit underwriting with the goal of minimizing principal losses. The firm takes a credit-intensive approach when selecting assets that seeks to determine where favorable value exists within companies on a relative basis to other investment alternatives.

The average number of loans in the portfolio is 148 at the end of first quarter 2019, with 14.34% in the top ten holdings. The portfolio is diversified across eleven sectors, with six sectors containing more than 10% of all holdings. Average annualized default since inception is 0.50%, while the historical average is 2.96%.

**NOTES TO FINANCIAL STATEMENTS**

The fund has daily liquidity but a 30 calendar day prior to withdraw notice is necessary. As of 03/31/19, there are \$1.3 Billion assets in the Commingled Fund.

2. If the investment can never be redeemed with the investees, but the reporting entity receives distributions through the liquidation of the underlying assets of the investees, the reporting entity's estimate of the period of time over which the underlying assets are expected to be liquidated by the investees.

Not Applicable - the investments can be redeemed on a monthly basis

3. The amount of the reporting entity's unfunded commitments related to investments in the class.

Not Applicable - there is no required capital commitment for the investments in Martingale or Barings

4. A general description of the terms and conditions upon which the investor may redeem the investment.

Redemption of share of either holding are processed on a monthly basis at prevailing market NAV

5. The circumstances in which an otherwise redeemable investment in the class (or a portion thereof) might not be redeemable (for example, investments subject to a lockup or gate).

Not Applicable

6. Any other significant restriction on the ability to see investments in the class at the measurement date.

Not applicable - (There are no restrictions to viewing the investments of the Martingale Investment Trust – Series 1 Low Volatility Large Cap+ or the Barings U.S. Loan Fund Series – Tranche A. The holdings are provided to the Investor in each of the fund's annual reports, and can be requested at any month end closing.)

7. If a group of investments would otherwise meet the criteria in SSAP No. 100R—Fair Value but the individual investments to be sold have not been identified

Not Applicable (The investor has not made a decision to redeem shares of the Martingale Investment Trust – Series 1 Low Volatility Large Cap+ or the Barings U.S. Loan Fund Series – Tranche A at this time.)

**Note 21 – Other Items**

No significant changes

**Note 22 – Events Subsequent**

No significant changes

**Note 23 – Reinsurance**

No significant changes

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
<b>Prior Reporting Year</b>					
(1) Medical loss ratio rebates incurred	\$	\$	\$	\$ (227,038)	\$ (227,038)
(2) Medical loss ratio rebates paid	\$	\$	\$	\$ 607,794	\$ 607,794
(3) Medical loss ratio rebates unpaid	\$	\$	\$	\$ 1,840,421	\$ 1,840,421
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$ 329,301
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 2,169,722
<b>Current Reporting Year-to-Date</b>					
(7) Medical loss ratio rebates incurred	\$	\$	\$	\$ 0	\$ 0
(8) Medical loss ratio rebates paid	\$	\$	\$	\$	\$
(9) Medical loss ratio rebates unpaid	\$	\$	\$	\$ 1,840,421	\$ 1,840,421
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 1,840,421

**NOTES TO FINANCIAL STATEMENTS**

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions Yes [ X ] No [ ]

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year to date:

a. Permanent ACA Risk Adjustment Program	AMOUNT
<b>Assets</b>	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ 4,765,659
<b>Liabilities</b>	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$
3. Premium adjustments payable due to ACA Risk Adjustment	\$ 4,477,566
<b>Operations (Revenue &amp; Expenses)</b>	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$

b. Transitional ACA Reinsurance Program	AMOUNT
<b>Assets</b>	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	\$
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$
<b>Liabilities</b>	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$
<b>Operations (Revenue &amp; Expenses)</b>	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ 111,157
9. ACA Reinsurance contributions – not reported as ceded premium	\$

c. Temporary ACA Risk Corridors Program	AMOUNT
<b>Assets</b>	
1. Accrued retrospective premium due to ACA Risk Corridors	\$
<b>Liabilities</b>	
3. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$
<b>Operations (Revenue &amp; Expenses)</b>	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$

(3) Roll forward of prior year ACA Risk Sharing Provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance:

	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year to Date on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
					5	6	7	8		9	10
	1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)		9 Receivable	10 (Payable)
<b>a. Permanent ACA Risk Adjustment Program</b>											
1. Premium adjustments receivable	\$ 4,765,569	\$	\$	\$	\$ 4,765,569	\$	\$	\$	A	\$ 4,765,569	\$
2. Premium adjustments (payable)	\$	\$ 4,477,566	\$	\$	\$	\$ 4,477,566	\$	\$	B	\$	\$ 4,477,566
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 4,765,569	\$ 4,477,566	\$	\$	\$ 4,765,569	\$ 4,477,566	\$	\$		\$ 4,765,569	\$ 4,477,566
<b>b. Transitional ACA Reinsurance Program</b>											
1. Amounts recoverable for claims paid	\$ 211,218	\$	\$ 322,375	\$	\$ (111,157)	\$	\$ 111,157	\$	C	\$	\$
2. Amounts recoverable for claims unpaid (contra liability)	\$	\$	\$	\$	\$	\$	\$	\$	D	\$	\$
3. Amounts receivable relating to uninsured plans	\$	\$	\$	\$	\$	\$	\$	\$	E	\$	\$
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premiums	\$	\$	\$	\$	\$	\$	\$	\$	F	\$	\$
5. Ceded reinsurance premiums payable	\$	\$	\$	\$	\$	\$	\$	\$	G	\$	\$
6. Liability for amounts held under uninsured	\$	\$	\$	\$	\$	\$	\$	\$	H	\$	\$

## NOTES TO FINANCIAL STATEMENTS

	Accrued the Prior Business Before the Prior	During Year on Business Written Before Dec. 31 of Year	Received or on Business Before the Prior	Paid as of Year to Date Written Before Dec. 31 of Year	Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
					1	2	3	4		5	6
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
plans											
7. Subtotal ACA Transitional Reinsurance Program	\$ 211,218		\$ 322,375		\$ (111,157)		\$ 111,157				
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$								I		
2. Reserve for rate credits or policy experience rating refunds									J		
3. Subtotal ACA Risk Corridors Program	\$										
d. Total for ACA Risk Sharing Provisions	\$ 4,976,787	\$ 4,477,566	\$ 322,375		\$ 4,654,412	\$ 4,477,566	\$ 111,157			\$ 4,765,569	\$ 4,477,566

**Explanations of Adjustments**

- A.
- B.
- C. Adjustment for 2018 Actual
- D.
- E.
- F.
- G.
- H.
- I.
- J.

**(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year**

	Accrued the Prior Year Written Dec. 31 of the	During on Business Before Prior Year	Received or on Business Before the Prior	Paid as of Year to Date Written Before Dec. 31 of the Prior Year	Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
					1	2	3	4		5	6
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	\$								A		
2. Reserve for rate credits for policy experience rating refunds	\$								B		
b. 2015											
1. Accrued retrospective premium	\$								C		
2. Reserve for rate credits for policy experience rating refunds	\$								D		
c. 2019											
1. Accrued retrospective premium	\$								E		
2. Reserve for rate credits or policy experience rating refunds	\$								F		
d. Total for Risk Corridors	\$										

- A.
- B.
- C.
- D.
- E.
- F.

**(5) ACA Risk Corridors Receivable as of Reporting Date**

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts Received from CMS	4 Asset Balance (Gross of Non-Admissions) (1-2-3)	5 Non-Admitted Amount	5 Net Admitted Asset (4-5)
a. 2014	\$					
b. 2018	15,919,592	15,919,592				
c. 2019	19,020,408	19,020,408				
d. Total (a+b+c)	\$ 34,940,000	\$ 34,940,000				

**NOTES TO FINANCIAL STATEMENTS****Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

## A. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2018 were \$200,536,835 which includes \$39,806,176 of due and unpaid claims. As of March 31, 2019, \$112,266,544 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$25,096,513 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$22,244,671 favorable prior-year development since December 31, 2018 to March 31, 2019. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

12/31/2018 Reserves	\$ 200,536,835	(includes Due and Unpaid)
2018 Claims paid in 2019	(112,266,544)	
2018 Claims Due and Unpaid	<u>(39,806,176)</u>	
Adjusted Net Reserves	\$ 48,464,116	
2018 Remaining Reserves @ 03/31/2019	<u>25,096,513</u>	
Favorable Development	<u>\$ 23,367,603</u>	

## B. Information about Significant Changes in Methodologies and Assumptions

No significant change

**Note 26 – Intercompany Pooling Arrangements**

No significant changes

**Note 27 – Structured Settlements**

Not Applicable for Health Companies

**Note 28 – Health Care Receivables**

No significant changes

**Note 29 – Participating Policies**

No significant changes

**Note 30 – Premium Deficiency Reserves**

No significant changes

**Note 31 – Anticipated Salvage and Subrogation**

No significant changes

**GENERAL INTERROGATORIES**

**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 [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]
- 2.2 If yes, date of change: \_\_\_\_\_

- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes [X] No [ ]
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.

- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. \_\_\_\_\_

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period. Yes [ ] No [X]

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

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

- 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. 12/31/2015
- 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. 12/31/2015
- 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). 04/28/2017

6.4 By what department or departments?  
Arkansas Insurance Department

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]
- 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 with 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 the 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 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 FDIC	6 SEC

- 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).

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

### INVESTMENT

- 11.1 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
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes  No
- 14.2 If yes, please complete the following:

	1 Prior Year End Book/Adjusted Carrying Value		2 Current Quarter Book/Adjusted Carrying Value
14.21	\$ 0		\$ 0
14.22	0		0
14.23	169,735,848		173,810,784
14.24	0		0
14.25	0		0
14.26	0		93,738,045
14.27	\$ 169,735,848		\$ 267,548,829
14.28	\$ 0		\$ 0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes  No
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No
- If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0
17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes  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
US Bank Institutional Trust and Custody	PO Box 387, St. Louis, MO 61366-0387

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
- 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 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such ["...that have access to the investment accounts", "handle securities"].

1 Name of Firm or Individual	2 Affiliation
Foundation Resource Management	U
Wells Capital Management Inc.	U
Gray D. Dillard	I
Martingale Asset Management, LP	U
Barings, LLC	U
Pacific Investment Management Company LLC	U

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes  No
- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes  No
- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
116359	Foundation Resource Management	N/A	SEC	NO

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
104973	Wells Capital Management Inc.	54300B3H2IOO2L85I90	SEC	NO
106006	Barings, LLC	ANDKRHQKPRRG4Q2KLR05	SEC, CFTC, NFA	NO
108526	Martingale Asset Management, LP	549300GXM5ZGZJXZ1Y74	SEC	NO
104559	Pacific Investment Management Company LLC	549300KGPYQZXGMYYN38	SEC	NO

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes  No

18.2 If no, list exceptions:

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes  No

20. By self-designating PLGI securities, the reporting entity is certifying the following elements for each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes  No



**GENERAL INTERROGATORIES (continued)**

**PART 2 - HEALTH**

1. Operating Percentages:		
1.1 A&H loss percent .....		<u>82.4 %</u>
1.2 A&H cost containment percent .....		<u>0.3 %</u>
1.3 A&H expense percent excluding cost containment expenses .....		<u>11.8 %</u>
2.1 Do you act as a custodian for health savings accounts? .....	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.		<u>0</u>
2.3 Do you act as an administrator for health savings accounts? .....	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
2.4 If yes, please provide the amount of funds administered as of the reporting date.		<u>0</u>
3. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?.....	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]
3.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?.....	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]

## SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1	2	3	4	5	6	7	8	9
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Reinsurer	Certified Reinsurer Rating (1 through 6)	Effective Date of Certified Reinsurer Rating

NONE

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

State, Etc.	1 Active Status (a)	Direct Business Only							
		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	9 Deposit-Type Contracts
1. Alabama.....AL	N								0
2. Alaska.....AK	N								0
3. Arizona.....AZ	N								0
4. Arkansas.....AR	L	496,034,217	27,338,141		70,436,794		593,809,152		
5. California.....CA	N								0
6. Colorado.....CO	N								0
7. Connecticut.....CT	N								0
8. Delaware.....DE	N								0
9. District of Columbia.....DC	N								0
10. Florida.....FL	N								0
11. Georgia.....GA	N								0
12. Hawaii.....HI	N								0
13. Idaho.....ID	N								0
14. Illinois.....IL	N								0
15. Indiana.....IN	N								0
16. Iowa.....IA	N								0
17. Kansas.....KS	N								0
18. Kentucky.....KY	N								0
19. Louisiana.....LA	N								0
20. Maine.....ME	N								0
21. Maryland.....MD	N								0
22. Massachusetts.....MA	N								0
23. Michigan.....MI	N								0
24. Minnesota.....MN	N								0
25. Mississippi.....MS	N								0
26. Missouri.....MO	N								0
27. Montana.....MT	N								0
28. Nebraska.....NE	N								0
29. Nevada.....NV	N								0
30. New Hampshire.....NH	N								0
31. New Jersey.....NJ	N								0
32. New Mexico.....NM	N								0
33. New York.....NY	N								0
34. North Carolina.....NC	N								0
35. North Dakota.....ND	N								0
36. Ohio.....OH	N								0
37. Oklahoma.....OK	N								0
38. Oregon.....OR	N								0
39. Pennsylvania.....PA	N								0
40. Rhode Island.....RI	N								0
41. South Carolina.....SC	N								0
42. South Dakota.....SD	N								0
43. Tennessee.....TN	N								0
44. Texas.....TX	L	2,396,928					2,396,928		
45. Utah.....UT	N								0
46. Vermont.....VT	N								0
47. Virginia.....VA	N								0
48. Washington.....WA	N								0
49. West Virginia.....WV	N								0
50. Wisconsin.....WI	N								0
51. Wyoming.....WY	N								0
52. American Samoa.....AS	N								0
53. Guam.....GU	N								0
54. Puerto Rico.....PR	N								0
55. U.S. Virgin Islands.....VI	N								0
56. Northern Mariana Islands.....MP	N								0
57. Canada.....CAN	N								0
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		498,431,145	27,338,141	0	70,436,794	0	596,206,080	0	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX							0		0
61. Total (Direct Business).....XXX		498,431,145	27,338,141	0	70,436,794	0	596,206,080	0	0

**DETAILS OF WRITE-INS**

58001.....								0	
58002.....								0	
58003.....								0	
58998. Summary of remaining write-ins for line 58 from overflow page.....		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....		0	0	0	0	0	0	0	0

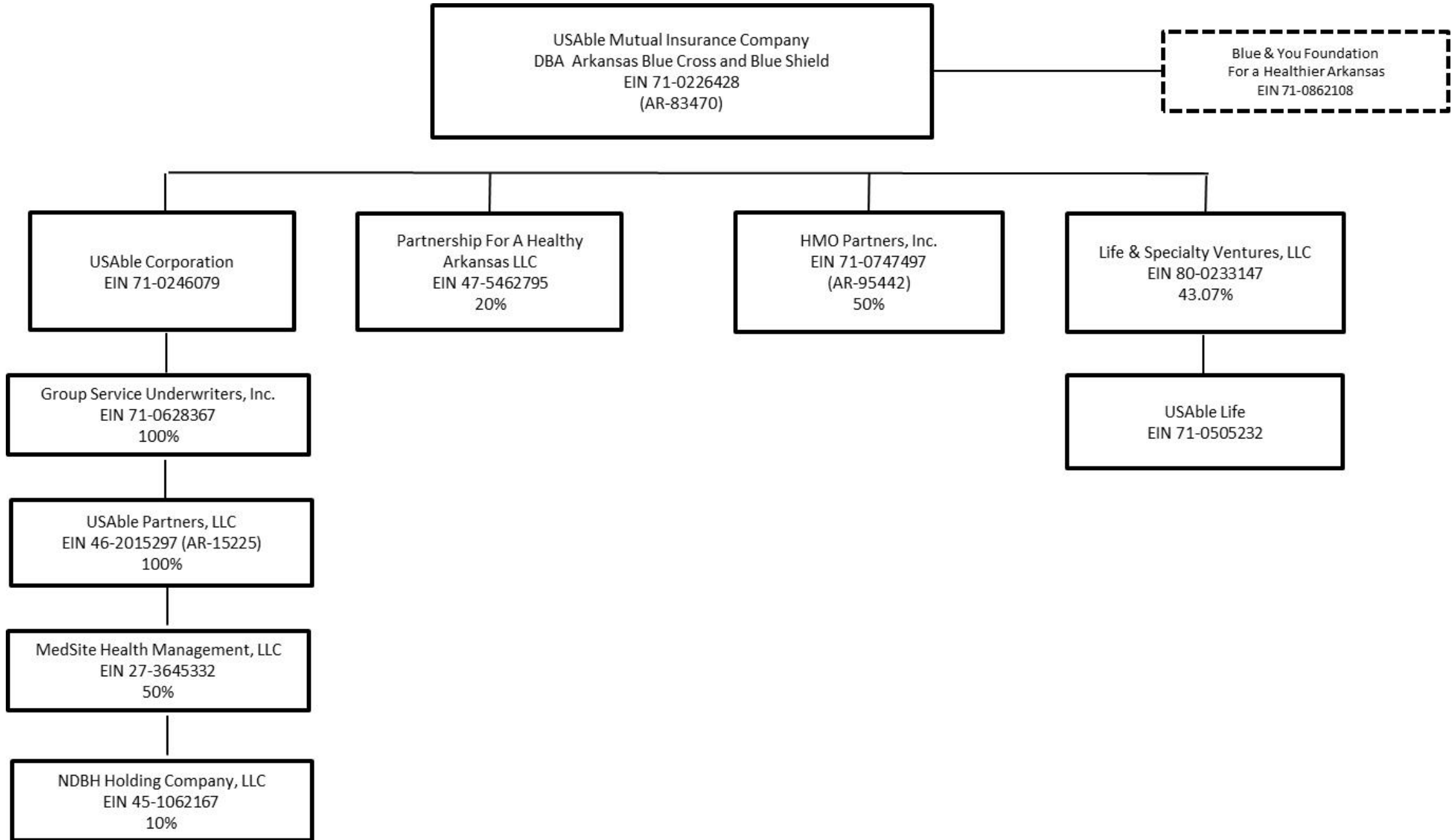
(a) Active Status Count

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	2	R - Registered - Non-domiciled RRGs.....	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....	0	Q - Qualified - Qualified or accredited reinsurer.....	0
		N - None of the above - Not allowed to write business in the state.....	55

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

PART 1 – ORGANIZATIONAL CHART

Q15



## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
<b>Members</b>															
0876	USAbLe Mutual Insurance Company	83470...	71-0226428..				USAbLe Mutual Insurance Company.....	AR.....		USAbLe Mutual Insurance Company.....	Board.....		USAbLe Mutual Insurance Company.....	.....N.....	
0876	USAbLe Mutual Insurance Company		71-0862108..				Blue & You Foundation.....	AR.....	NIA.....	USAbLe Mutual Insurance Company.....	Ownership, Board, Influence		USAbLe Mutual Insurance Company.....	.....N.....	
0876	USAbLe Mutual Insurance Company		71-0246079..				USAbLe Corporation.....	AR.....	DS.....	USAbLe Mutual Insurance Company.....	Ownership, Board, Influence	100.000	USAbLe Mutual Insurance Company.....	.....Y.....	
0876	USAbLe Mutual Insurance Company		47-5462795..				Partnership for a Health Arkansas LLC.....	AR.....	DS.....	USAbLe Mutual Insurance Company.....	Ownership, Influence, Board	20.000	USAbLe Mutual Insurance Company.....	.....N.....	
0876	USAbLe Mutual Insurance Company	95442...	71-0747497..				HMO Partners, Inc.....	AR.....	DS.....	USAbLe Mutual Insurance Company.....	Ownership, Board, Influence	50.000	USAbLe Mutual Insurance Company.....	.....N.....	
0876	USAbLe Mutual Insurance Company		80-0233147..				Life & Specialty Ventures, Inc.....	DE.....	NIA.....	USAbLe Mutual Insurance Company.....	Ownership, Board, Influence	43.070	USAbLe Mutual Insurance Company.....	.....N.....	
0876	USAbLe Mutual Insurance Company		71-0628367..				Group Service Underwriters, Inc.....	AR.....	DS.....	USAbLe Corporation.....	Ownership, Influence	100.000	USAbLe Mutual Insurance Company.....	.....N.....	
0876	USAbLe Mutual Insurance Company		27-3645332..				MedSite Health Management, LLC.....	AR.....	DS.....	USAbLe Corporation.....	Ownership, Board, Influence	50.000	USAbLe Mutual Insurance Company.....	.....N.....	
0876	USAbLe Mutual Insurance Company	15225...	46-2015297..				USAbLe Partners, LLC.....	VT.....	DS.....	USAbLe Corporation.....	Ownership, Board, Influence	100.000	USAbLe Mutual Insurance Company.....	.....N.....	
0876	USAbLe Mutual Insurance Company		45-1062167..				NDBH Holding Company, LLC.....	AR.....	DS.....	USAbLe Corporation.....	Ownership, Influence	10.000	USAbLe Mutual Insurance Company.....	.....N.....	
0876	USAbLe Mutual Insurance Company	94358...	71-0505232..				USAbLe Life.....	AR.....	IA.....	Life and Specialty Ventures, LLC.....	Ownership.....	100.000	USAbLe Mutual Insurance Company.....	.....N.....	

916

# 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?

YES

**Explanation:**

1.

**Bar Code:**

**NONE**

**USable Mutual Insurance Company**  
**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	59,038,149	55,807,725
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....	145,253	9,321,980
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		(14,558)
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....		
8. Deduct current year's depreciation.....	1,566,157	6,076,997
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6+7-8).....	57,617,245	59,038,149
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	57,617,245	59,038,149

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

NONE

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	201,004,379	137,348,223
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....	393,632	65,509,733
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	3,230,911	152,846
6. Total gain (loss) on disposals.....		(234,099)
7. Deduct amounts received on disposals.....	539,408	1,772,324
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	204,089,513	201,004,379
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	204,089,513	201,004,379

**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.....	911,897,502	869,085,451
2. Cost of bonds and stocks acquired.....	24,704,581	459,887,423
3. Accrual of discount.....	131,898	498,886
4. Unrealized valuation increase (decrease).....	6,803,597	(21,536,014)
5. Total gain (loss) on disposals.....	869,032	15,853,064
6. Deduct consideration for bonds and stocks disposed of.....	32,736,437	407,353,696
7. Deduct amortization of premium.....	954,629	4,674,916
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		332,495
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees.....		469,800
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10).....	910,715,545	911,897,502
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	910,715,545	911,897,502



### SCHEDULE D - PART 1B

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

NAIC Designation	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
<b>BONDS</b>								
1. NAIC 1 (a).....	733,376,262	95,774,604	121,202,296	(9,947,656)	698,000,913			733,376,262
2. NAIC 2 (a).....	66,572,333	4,342,525	3,528,336	9,285,383	76,671,905			66,572,333
3. NAIC 3 (a).....	614,669			20,499	635,168			614,669
4. NAIC 4 (a).....					0			
5. NAIC 5 (a).....					0			
6. NAIC 6 (a).....					0			
7. Total Bonds.....	800,563,263	100,117,130	124,730,633	(641,774)	775,307,986	0	0	800,563,263
<b>PREFERRED STOCK</b>								
8. NAIC 1.....					0			
9. NAIC 2.....					0			
10. NAIC 3.....					0			
11. NAIC 4.....					0			
12. NAIC 5.....					0			
13. NAIC 6.....					0			
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	800,563,263	100,117,130	124,730,633	(641,774)	775,307,986	0	0	800,563,263

QSI02

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:  
NAIC 1 \$.....97,443,941; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

## SCHEDULE DA - PART 1

### Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	95,446,090	XXX	95,187,060	75,000	227,520

## SCHEDULE DA - VERIFICATION

### Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	94,690,813	52,747,346
2. Cost of short-term investments acquired.....	70,420,250	272,266,957
3. Accrual of discount.....	335,027	1,306,456
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		(22,784)
6. Deduct consideration received on disposals.....	70,000,000	231,607,161
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	95,446,090	94,690,813
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	95,446,090	94,690,813

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

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

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

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

**Sch. DB - Verification  
NONE**

**SCHEDULE E - PART 2 - VERIFICATION**

Cash Equivalents

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	61,952,026	88,757,987
2. Cost of cash equivalents acquired.....	497,511,797	2,416,287,760
3. Accrual of discount.....	33,217	69,980
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	14	(902)
6. Deduct consideration received on disposals.....	486,125,121	2,443,162,798
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	73,371,933	61,952,026
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	73,371,933	61,952,026

### SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	2 Location		3 State	4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	City								
<b>Acquired by Purchase</b>									
Timberland Ashdown.....	Ashdown.....		AR...	.....Various	Reforestation.....				.....65,807
Main Building Improvements.....	Little Rock.....		AR...	.....Various	Various.....				.....65,946
USACC Improvements: BCBS portion.....	Little Rock.....		AR...	.....Various	Various.....				.....13,500
0199999. Totals.....						.....0	.....0	.....0	.....145,253
0399999. Totals.....						.....0	.....0	.....0	.....145,253

QE01

### SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract "

1 Description of Property	2 Location		3 State	4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	9 Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs, and Expenses Incurred
	City								9 Current Year's Depreciation	10 Current Year's Other-Than-Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
<b>NONE</b>																				

**SCHEDULE B - PART 2**

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	2 Location		3	4	5	6	7	8	9
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings	

**NONE**

QE02

**SCHEDULE B - PART 3**

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	2 Location		4	5	6	7	8 Change in Book Value/Recorded Investment					14	15	16	17	18	
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8 + 9 - 10 + 11)	Total Foreign Exchange Change in Book Value	Book Value / Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal

**NONE**

### SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation and Administrative Symbol/Market Indicator	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made after Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership	
		3 City	4 State										
<b>Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated</b>													
97MSCM 3D 9	BABSON CAPITAL FLOATING RATE INCOME FUND		USA	BABSON CAPITAL FLOATING RATE INCOME FUND		01/31/2017			393,632				
1999999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated									0	393,632	0	0	XXX
4499999. Subtotal - Unaffiliated									0	393,632	0	0	XXX
4699999. Totals									0	393,632	0	0	XXX

QE03

### SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization) / Accretion	11 Current Year's Other-Than-Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
97MSCM 3D 9	BABSON CAPITAL FLOATING RATE INCOME FUND		USA	BABSON CAPITAL FLOATING RATE INCOME FUND	01/31/2017	01/24/2019	546,205							539,408	539,408			0	
1999999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated								546,205	0	0	0	0	0	539,408	539,408	0	0	0	0
4499999. Subtotal - Unaffiliated								546,205	0	0	0	0	539,408	539,408	0	0	0	0	0
4699999. Totals								546,205	0	0	0	0	539,408	539,408	0	0	0	0	0

### SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/Market Indicator (a)
<b>Bonds - U.S. Government</b>									
38378U 8L 4	GNR 15H04B FA - CMO		02/20/2019	Direct		1,666	1,666		1
912828 H4 5	UNITED STATES TREASURY		02/11/2019	MERRILL LYNCH PIERCE FENNER & SMITH INC		278,608	286,948	.55	1
0599999	Total - Bonds - U.S. Government					280,274	288,614	.55	XXX
<b>Bonds - U.S. States, Territories and Possessions</b>									
13063D GB 8	CALIFORNIA ST		01/16/2019	Morgan Stanley		753,525	750,000	7,523	1FE
1799999	Total - Bonds - U.S. States, Territories & Possessions					753,525	750,000	7,523	XXX
<b>Bonds - U.S. Political Subdivisions of States</b>									
167486 VZ 9	CHICAGO ILL		02/07/2019	J.P. Morgan Securities LLC		237,591	225,000	1,491	2FE
2499999	Total - Bonds - U.S. Political Subdivisions of States					237,591	225,000	1,491	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>									
45710P AC 4	INGLEWOOD CALIF JT PWRS AUTH LEASE REV		03/22/2019	WEDBUSH MORGAN SECURITIES INC		590,000	590,000		1FE
576553 BT 7	MATANUSKA-SUSITNA BORO ALASKA LEASE REV		03/15/2019	RBC CAPITAL MARKETS, LLC		800,025	750,000	1,500	1FE
64987D UE 2	NEW YORK ST HSG FIN AGY REV		01/17/2019	Jefferies		1,000,000	1,000,000		1FE
68608V DW 1	OREGON ST DEPT ADMINISTRATIVE SVCS CTFS		03/07/2019	Citigroup Global Markets, Inc		500,000	500,000		1FE
708797 AN 5	PENNSYLVANIA HSG FIN AGY SPL LTD OBLIG M		01/01/2019	VARIOUS		(515)	(2,324)	(1)	1FE
74446A AP 9	PUBLIC FIN AUTH WIS CAP IMPT REV		01/31/2019	Citigroup Global Markets, Inc		631,082	540,000	2,475	1FE
79766D NY 1	SAN FRANCISCO CALIF CITY & CNTY ARPTS CO		02/21/2019	RBC CAPITAL MARKETS, LLC		500,000	500,000		1FE
914115 P2 0	UNIVERSITY CENT ARK REV		01/30/2019	130		200,000	200,000		1FE
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments					4,220,592	4,077,676	3,974	XXX
<b>Bonds - Industrial and Miscellaneous</b>									
02377A AA 6	AMERICAN AIRLINES PASS THROUGH TRUST SER		01/11/2019	BARCLAYS CAPITAL INC FIXED INC		909,394	933,295	9,976	1FE
05972M AA 2	BCMT 19CRE5 A - CMBS		03/08/2019	WELLS FARGO SECURITIES LLC		1,000,000	1,000,000		1FE
219350 AZ 8	CORNING INC		02/07/2019	Southwest Securities		298,304	295,000	2,607	2FE
260543 CJ 0	DOW CHEMICAL CO		03/15/2019	RAYMOND JAMES/FI		1,537,512	1,530,000	24,990	2FE
26442E AF 7	DUKE ENERGY OHIO INC		01/03/2019	CREDIT SUISSE SECURITIES (USA)		1,099,516	1,100,000		1FE
29374A AB 0	EFF 191 A2 - ABS		03/12/2019	WELLS FARGO SECURITIES LLC		999,992	1,000,000		1FE
304071 AA 1	FAIRFAX (US) INC	C	03/27/2019	Southwest Securities		1,693,863	1,630,000	10,154	2FE
445658 CF 2	J B HUNT TRANSPORT SERVICES INC		03/29/2019	BOSC INC		575,255	565,000	1,885	2FE
494368 BQ 5	KIMBERLY-CLARK CORP		01/30/2019	Southwest Securities		1,251,445	1,300,000	14,354	1FE
57629W CH 1	MASSMUTUAL GLOBAL FUNDING II		03/05/2019	JP MORGAN SECURITIES LLC		898,164	900,000		1FE
63902H AC 3	THE NATURE CONSERVANCY		02/05/2019	CHASE SECURITIES INC		700,000	700,000		1FE
64952W DE 0	NEW YORK LIFE GLOBAL FUNDING		01/29/2019	Morgan Stanley		1,000,000	1,000,000		1FE
68389X AS 4	ORACLE CORP		01/15/2019	BNY/SUNTRUST CAPITAL MARKETS		2,235,904	2,200,000	443	1FE
84858D AA 6	SPIRIT AIRLINES CLASS A PASS THROUGH CER		02/14/2019	PERSHING LLC		1,001,687	997,199	15,673	1FE
90352J AE 3	UBS GROUP FUNDING SWITZERLAND AG	C	02/11/2019	BANK OF NEW YORK		731,948	750,000	10,602	1FE
907818 EH 7	UNION PACIFIC CORP		01/23/2019	STIFEL NICOLAUS & COMPANY INC		2,079,616	2,200,000	24,200	1FE
90931E AA 2	UAL 191 A - ABS		01/28/2019	CITIGROUP GLOBAL MARKETS INC		1,200,000	1,200,000		1FE
3899999	Total - Bonds - Industrial and Miscellaneous					19,212,600	19,300,495	114,884	XXX
8399997	Total - Bonds - Part 3					24,704,581	24,641,784	127,928	XXX
8399999	Total - Bonds					24,704,581	24,641,784	127,928	XXX
9999999	Total - Bonds, Preferred and Common Stocks					24,704,581	XXX	127,928	XXX

QE04

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



## SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During 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 rei gn	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	Stated Contractual Maturity Date	NAIC Designation and Admini- strative Symbol/ Market Indicator (a)
<b>Bonds - U.S. Government</b>																					
38378U 8L 4	GNR 15H04B FA - CMO.....		03/20/2019	Paydown.....		10,930	10,930	10,995	10,979			0	0		10,996		(66)	(66)	48	12/20/2064	1.....
0599999	Total - Bonds - U.S. Government.....					10,930	10,930	10,995	10,979			0	0		10,996		(66)	(66)	48	XXX	XXX
<b>Bonds - U.S. States, Territories and Possessions</b>																					
574193 GZ 5	MARYLAND ST.....		01/29/2019	Citigroup Global Markets, Inc.....		1,040,630	1,000,000	1,054,550	1,040,171			(1,502)	(1,502)		1,038,669		1,961	1,961	16,667	03/01/2026	1FE.....
1799999	Total - Bonds - U.S. States, Territories & Possessions.....					1,040,630	1,000,000	1,054,550	1,040,171			0	(1,502)		1,038,669		1,961	1,961	16,667	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																					
252020 AE 2	DEWEY CNTY OKLA EDL FACS AUTH EDL FACS L.....		01/17/2019	PERSHING LLC.....		807,206	735,000	858,348	814,118			(1,207)	(1,207)		812,910		(5,704)	(5,704)	14,394	09/01/2022	1FE.....
3128MJ 5B 2	FH G08841 - RMBS.....		03/01/2019	Paydown.....		9,710	9,710	9,591	9,593			1	1		9,593		117	117	35	10/01/2048	1.....
3128MJ 5T 3	FH G08857 - RMBS.....		03/01/2019	Paydown.....		341,290	341,290	346,542	346,542			(50)	(50)		346,492		(5,202)	(5,202)	1,494	01/01/2049	1.....
3140J6 GJ 0	FN BM2000 - RMBS.....		03/01/2019	Paydown.....		403,704	403,704	401,434	401,430			3	3		401,433		2,271	2,271	1,164	05/01/2047	1.....
31418C P5 7	FN MA3143 - RMBS.....		03/01/2019	Paydown.....		324,683	324,683	314,967	314,945			26	26		314,972		9,711	9,711	736	09/01/2047	1.....
31418C R8 9	FN MA3210 - RMBS.....		03/01/2019	Paydown.....		533,481	533,481	530,418	530,417			6	6		530,423		3,058	3,058	1,560	12/01/2047	1.....
31418C XN 9	FN MA3384 - RMBS.....		03/01/2019	Paydown.....		118,079	118,079	120,463	120,384			(18)	(18)		120,366		(2,287)	(2,287)	447	06/01/2048	1.....
60635H Y3 7	MISSOURI ST HEALTH & EDL FACS AUTH REV.....		02/01/2019	Maturity @ 100.00.....		650,000	650,000	685,529	651,352			(1,352)	(1,352)		650,000				13,000	02/01/2019	2FE.....
64987D UE 2	NEW YORK ST HSG FIN AGY REV.....		01/18/2019	BANK OF NEW YORK.....		100,000	100,000	100,000				0	0		100,000				7	11/01/2045	1FE.....
708797 AN 5	PENNSYLVANIA HSG FIN AGY SPL LTD OBLIG M.....		03/26/2019	VARIOUS.....		1,886	1,886	1,815	607,555			(221)	(221)		1,816		69	69	(3,851)	08/01/2035	1FE.....
79467B AJ 4	SALES TAX SECURITIZATION CORPORATION.....		03/05/2019	RBC CAPITAL MARKETS, LLC.....		862,470	750,000	877,598	867,557			(2,060)	(2,060)		865,497		(3,027)	(3,027)	25,625	01/01/2028	1FE.....
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments.....					4,152,509	3,967,833	4,246,706	4,663,893			0	(4,873)		4,153,503		(993)	(993)	54,610	XXX	XXX
<b>Bonds - Industrial and Miscellaneous</b>																					
00206R CC 4	AT&T INC.....		03/11/2019	Maturity @ 100.00.....		1,850,000	1,850,000	1,867,390	1,850,733			(733)	(733)		1,850,000			0	21,275	03/11/2019	2FE.....
035242 AA 4	ANHEUSER-BUSCH INBEV FINANCE INC C.....		02/01/2019	Corporate Action.....		992,106	1,030,000	1,027,827	2,056,563			0	0		1,028,336		(36,230)	(36,230)		01/17/2023	2FE.....
097023 AW 5	BOEING CO.....		03/15/2019	Maturity @ 100.00.....		1,069,000	1,069,000	1,270,154	1,077,494			(8,494)	(8,494)		1,069,000			0	32,070	03/15/2019	1FE.....
110122 AV 0	BRISTOL-MYERS SQUIBB CO.....		03/01/2019	Maturity @ 100.00.....		5,300,000	5,300,000	5,289,973	5,299,268			732	732		5,300,000			0	46,375	03/01/2019	1FE.....
17275R AE 2	CISCO SYSTEMS INC.....		02/15/2019	Maturity @ 100.00.....		2,260,000	2,260,000	2,567,902	2,267,589			(7,589)	(7,589)		2,260,000			0	55,935	02/15/2019	1FE.....
263534 BW 8	E I DU PONT DE NEMOURS AND CO.....		03/15/2019	Maturity @ 100.00.....		956,000	956,000	1,120,346	963,158			(7,158)	(7,158)		956,000			0	27,485	03/15/2019	1FE.....
30231G AD 4	EXXON MOBIL CORP.....		03/15/2019	Maturity @ 100.00.....		5,110,000	5,110,000	5,133,945	5,110,662			(662)	(662)		5,110,000			0	46,475	03/15/2019	1FE.....
452308 AU 3	ILLINOIS TOOL WORKS INC.....		03/01/2019	Maturity @ 100.00.....		1,500,000	1,500,000	1,494,015	1,499,771			229	229		1,500,000			0	14,625	03/01/2019	1FE.....
532457 BF 4	ELI LILLY AND CO.....		03/15/2019	Maturity @ 100.00.....		2,750,000	2,750,000	2,748,298	2,749,925			75	75		2,750,000			0	26,813	03/15/2019	1FE.....
68389X AQ 8	ORACLE CORP.....		01/15/2019	Maturity @ 100.00.....		1,460,000	1,460,000	1,480,060	1,460,160			(160)	(160)		1,460,000			0	17,338	01/15/2019	1FE.....
73316P AG 5	POPLR 044 AV1 - RMBS.....		03/25/2019	Paydown.....		4,481	4,481	4,422	713,601			3	3		4,428		53	53	21	09/25/2034	1FE.....
907818 DB 1	UNION PACIFIC CORP.....		01/15/2019	Maturity @ 100.00.....		1,029,000	1,029,000	1,288,591	1,031,024			(2,024)	(2,024)		1,029,000			0	40,517	01/15/2019	1FE.....
983919 AG 6	XILINX INC.....		03/15/2019	Maturity @ 100.00.....		1,714,000	1,714,000	1,712,046	1,713,914			86	86		1,714,000			0	18,211	03/15/2019	1FE.....
3899999	Total - Bonds - Industrial and Miscellaneous.....					25,994,587	26,032,481	26,995,969	27,793,862			0	(25,694)		26,030,764		(36,177)	(36,177)	347,140	XXX	XXX
8399997	Total - Bonds - Part 4.....					31,198,657	31,011,244	32,308,220	33,508,905			0	(32,069)		31,233,931		(35,274)	(35,274)	418,464	XXX	XXX
8399999	Total - Bonds.....					31,198,657	31,011,244	32,308,220	33,508,905			0	(32,069)		31,233,931		(35,274)	(35,274)	418,464	XXX	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>																					
17275R 10 2	CISCO SYSTEMS ORD.....		03/01/2019	MERRILL LYNCH,PIERCE,FENNER & SMITH.....		30,000.000	1,537,780	XXX	633,474	1,299,900		(666,426)	(666,426)		633,474		904,306	904,306	9,900	XXX	L.....

QE05

### SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During 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	Foreign	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	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator (a)
9099999	Total - Common Stocks - Industrial and Miscellaneous.....					1,537,780	XXX	633,474	1,299,900	(666,426)	0	0	(666,426)	0	633,474	0	904,306	904,306	9,900	XXX	XXX
9799997	Total - Common Stocks - Part 4.....					1,537,780	XXX	633,474	1,299,900	(666,426)	0	0	(666,426)	0	633,474	0	904,306	904,306	9,900	XXX	XXX
9799999	Total - Common Stocks.....					1,537,780	XXX	633,474	1,299,900	(666,426)	0	0	(666,426)	0	633,474	0	904,306	904,306	9,900	XXX	XXX
9899999	Total - Preferred and Common Stocks.....					1,537,780	XXX	633,474	1,299,900	(666,426)	0	0	(666,426)	0	633,474	0	904,306	904,306	9,900	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks.....					32,736,437	XXX	32,941,694	34,808,805	(666,426)	(32,069)	0	(698,495)	0	31,867,405	0	869,032	869,032	428,364	XXX	XXX

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

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

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

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

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

**Sch. DL - Pt. 1  
NONE**

**Sch. DL - Pt. 2  
NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
Bank of America..... Little Rock, AR.....								XXX
BAAA Claims.....					8,582,029	5,585,330	12,347,145	XXX
BAAA Operating.....					21,044,103	9,704,933	17,474,677	XXX
BAAA Refunds.....					1,001,628	550,990	625,427	XXX
BC Reg Business Claims.....					(342,049)	(380,272)	(395,101)	XXX
Clearinghouse Bank Account.....					117,950	147,474	179,784	XXX
Exchange Claims.....					(1,310,519)	(1,480,703)	(1,293,897)	XXX
FEP Basic Option EFT.....					-	94,342	94,342	XXX
FEP Standard Option EFT.....					-	(94,342)	(94,342)	XXX
GCPS Assigned EFT.....					-	310	-	XXX
General Acct.....					17,887,007	13,711,594	5,629,043	XXX
LTC CHCS.....					166,934	196,783	165,719	XXX
Med Adv ACH Pmts.....					169,229	130,554	315,125	XXX
Payroll Acct.....					44,764	22,241	22,241	XXX
PDP ACH Premiums.....					17,807	17,807	17,807	XXX
USAM Claims.....					1,079,046	1,870,709	1,628,155	XXX
Walmart Claims.....					11,046,196	12,954,753	15,229,821	XXX
.....								XXX
Bank of America..... Vadaia, MO.....								XXX
Accounts Payable.....					(2,047,810)	(3,030,736)	(1,833,402)	XXX
GCPS Assigned.....					(31,811)	(34,812)	(11,485)	XXX
GCPS Unassigned.....					(179,112)	(163,728)	(163,024)	XXX
.....								XXX
Simmons First National Bank..... Pine Bluff, AR.....								XXX
ABCBS MMA DDA.....			24,603		7,127,377	7,135,032	7,143,516	XXX
Accounts Payable EFT.....					(300)	-	(23,334)	XXX
BlueCard Claims.....					(104,186)	(237,597)	(218,884)	XXX
FEP Basic Option.....					(99,039)	(97,127)	(201,382)	XXX
FEP Blue Focus Option.....					-	-	(73)	XXX
FEP Investment.....					2,171,262	2,169,078	2,159,780	XXX
FEP Standard Option.....					(219,049)	(196,656)	(126,194)	XXX
Medipak Assigned.....					(219,309)	(205,777)	(215,400)	XXX
Medipak Unassigned.....					(567,048)	(778,457)	(710,608)	XXX
Parent Acct.....					5,237,433	5,579,196	5,387,152	XXX
.....								XXX
US Bank..... St. Louis, MO.....								XXX
Members Lockbox.....					2,985,539	8,130,092	2,674,400	XXX
Uninvested Cash.....					0	0	0	XXX
.....								XXX
BanCorp..... Little Rock, AR.....								XXX
AR Works Rewards Collateral.....					25,000	25,000	25,000	XXX
0199998. Deposits in.....58 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories.....	XXX	XXX	3,546		2,330,000	2,330,000	2,330,000	XXX
0199999. Total Open Depositories.....	XXX	XXX	28,149	0	75,913,073	63,656,011	68,162,009	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	28,149	0	75,913,073	63,656,011	68,162,009	XXX
0499999. Cash in Company's Office.....	XXX	XXX	XXX	XXX	6,772	6,772	6,772	XXX
0599999. Total Cash.....	XXX	XXX	28,149	0	75,919,845	63,662,783	68,168,781	XXX

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
<b>Bonds - U.S. Special Revenue &amp; Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivision - Issuer Obligations</b>								
	FEDERAL HOME LOAN BANKS.....		02/19/2019.....		04/17/2019.....	1,997,851		5,362
2599999	U.S. Special Revenue & Special Assessment Obligations - Issuer Obligations.....					1,997,851	0	5,362
3199999	Total - U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations.....					1,997,851	0	5,362
<b>Total Bonds</b>								
7799999	Subtotals - Issuer Obligations.....					1,997,851	0	5,362
8399999	Subtotals - Bonds.....					1,997,851	0	5,362
<b>Exempt Money Market Mutual Funds as Identified by the SVO</b>								
60934N 50 0	FEDERATED TREAS OBL INST.....		03/29/2019.....	2.300		71,267,582	149,332	5,822
8599999	Total - Exempt Money Market Mutual Funds as Identified by the SVO.....					71,267,582	149,332	5,822
<b>All Other Money Market Mutual Funds</b>								
316175 60 3	FIDELITY IMM:GOVT III.....		02/08/2018.....	2.060		106,500	185	523
8699999	Total - All Other Money Market Mutual Funds.....					106,500	185	523
8899999	Total - Cash Equivalents.....					73,371,933	149,518	11,706

QE13



**MEDICARE PART D COVERAGE SUPPLEMENT**

(Net of Reinsurance)

NAIC Group Code.....876

NAIC Company Code.....83470

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums collected.....	10,421,748	XXX	702,532	XXX	11,124,280
2. Earned premiums.....	8,024,646	XXX	638,807	XXX	XXX
3. Claims paid.....	6,014,584	XXX	750,239	XXX	6,764,823
4. Claims incurred.....	6,367,490	XXX	726,493	XXX	XXX
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a).....	XXX	10,039,912	XXX	264,745	10,304,657
6. Aggregate policy reserves - change.....		XXX		XXX	XXX
7. Expenses paid.....	1,763,166	XXX	78,180	XXX	1,841,346
8. Expenses incurred.....	1,757,217	XXX	75,179	XXX	XXX
9. Underwriting gain or loss.....	(100,061)	XXX	(162,865)	XXX	XXX
10. Cash flow results.....	XXX	XXX	XXX	XXX	(7,786,546)

(a) Uninsured Receivable/Payable with CMS at End of Quarter \$.0 due from CMS or \$.1,179,804 due to CMS.