



HEALTH QUARTERLY STATEMENT

As of September 30, 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)
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(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 / COO	4. Timothy Gerard Gauger	Secretary

OTHER

Stephen William Abell	James Robert Bailey
Alicia Marie Berkemeyer	Judy Dawn Blevins
James Daniel Bloodworth	Victor Pratt Davis
Brian Keith Dorathy #	Matthew Richard Flora
Maxine Arlene Greenwood #	Kimberly Ann Henderson
Harvey David Jacobson	Anthony Marcus James
Mark Thomas Jansen #	Wanda Denise King #
David Bryan Martin	Mary Alison Melson #
Odell Calvin Nickelberry #	Hal Jackson Norman
Kathleen O'Dea Ryan	Wendy Womack See
Philip Eugene Sherrill	Steven Aaron Spaulding
Joanna Maria Thomas	Matthew Dennis Vannatta #
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 / COO (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.....	735,681,708		735,681,708	685,403,413
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	244,484,183		244,484,183	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).....	50,845,675		50,845,675	52,222,305
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	6,751,223		6,751,223	6,815,844
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....60,612,621), cash equivalents (\$....71,780,350) and short-term investments (\$....42,941,403).....	175,334,375		175,334,375	196,887,883
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	192,476,719		192,476,719	201,004,379
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	3,366,205	0	3,366,205	3,453,292
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,408,940,088	0	1,408,940,088	1,372,281,206
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	5,393,056		5,393,056	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 (\$....130,004,055) and contracts subject to redetermination (\$....4,773,297).....	134,777,352	3,125,541	131,651,811	139,134,883
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	3,760,661		3,760,661	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.....	111,828,915	1,366,985	110,461,930	65,893,055
18.1 Current federal and foreign income tax recoverable and interest thereon.....	20,685,423		20,685,423	8,146,512
18.2 Net deferred tax asset.....	98,011,530	61,775,827	36,235,703	33,569,159
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	16,285,020	10,439,435	5,845,585	6,042,976
21. Furniture and equipment, including health care delivery assets (\$.....0).....	28,009,083	28,009,083	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	13,396,926	1,995,621	11,401,305	11,515,000
24. Health care (\$....30,597,809) and other amounts receivable.....	73,803,064	14,284,457	59,518,607	62,356,580
25. Aggregate write-ins for other than invested assets.....	80,088,907	40,467,343	39,621,564	39,257,458
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,994,980,026	161,464,293	1,833,515,733	1,747,304,961
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	1,994,980,026	161,464,293	1,833,515,733	1,747,304,961

DETAILS OF WRITE-INS

1101. Deposits with National Accounts.....	3,366,205		3,366,205	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).....	3,366,205	0	3,366,205	3,453,292
2501. Supplemental Savings Plan.....	39,287,906		39,287,906	38,956,717
2502. Other Assets.....	333,658		333,658	300,741
2503. Other Non-Admitted Assets.....	40,467,343	40,467,343	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).....	80,088,907	40,467,343	39,621,564	39,257,458

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....6,548,747 reinsurance ceded).....	222,253,743	522,720	222,776,463	200,536,836
2. Accrued medical incentive pool and bonus amounts.....	5,965,259		5,965,259	6,363,732
3. Unpaid claims adjustment expenses.....	5,965,107		5,965,107	6,442,803
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	121,127,110		121,127,110	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.....	35,992,593		35,992,593	30,648,261
9. General expenses due or accrued.....	400,470,184		400,470,184	396,842,462
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....	4,327,000		4,327,000	4,231,752
12. Amounts withheld or retained for the account of others.....	46,269,744		46,269,744	47,440,754
13. Remittances and items not allocated.....	581,638		581,638	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.....	562,776		562,776	1,098,024
16. Derivatives.....			0	
17. Payable for securities.....	1,296,205		1,296,205	
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.....	70,431,360		70,431,360	67,767,650
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	21,892,693	0	21,892,693	21,971,594
24. Total liabilities (Lines 1 to 23).....	937,135,411	522,720	937,658,131	916,759,531
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	33,680,000	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	862,177,604	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	895,857,604	830,545,432
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	1,833,515,735	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.....	2,275,008		2,275,008	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).....	21,892,693	0	21,892,693	21,971,594
2501. 2020 ACA Insurer Fee Estimate.....	XXX	XXX	33,680,000	
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	33,680,000	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	5,543,974	5,863,904	7,739,589
2. Net premium income (including \$.....0 non-health premium income).....	XXX	1,794,078,869	1,882,733,779	2,481,886,532
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	10,428,499	(1,188,407)	(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	1,804,507,368	1,881,545,372	2,480,226,100
Hospital and Medical:				
9. Hospital/medical benefits.....		878,139,963	839,355,585	1,116,050,358
10. Other professional services.....		35,197,421	31,641,325	41,283,042
11. Outside referrals.....		17,306,996	21,362,501	28,141,302
12. Emergency room and out-of-area.....		160,722,482	188,350,295	250,371,934
13. Prescription drugs.....		331,138,643	377,432,070	504,926,292
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		10,085,744	8,483,886	15,240,454
16. Subtotal (Lines 9 to 15).....	0	1,432,591,248	1,466,625,663	1,956,013,381
Less:				
17. Net reinsurance recoveries.....		(29,466,668)	(39,366,256)	(53,081,641)
18. Total hospital and medical (Lines 16 minus 17).....	0	1,462,057,916	1,505,991,919	2,009,095,022
19. Non-health claims (net).....				
20. Claims adjustment expenses, including \$.....6,315,201 cost containment expenses.....		79,480,192	96,416,164	97,996,875
21. General administrative expenses.....		181,503,679	222,363,927	388,768,746
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....			(1,621,449)	(2,161,932)
23. Total underwriting deductions (Lines 18 through 22).....	0	1,723,041,787	1,823,150,560	2,493,698,711
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	81,465,581	58,394,811	(13,472,612)
25. Net investment income earned.....		19,764,265	17,595,869	24,459,334
26. Net realized capital gains (losses) less capital gains tax of \$.....95,154.....		357,962	12,696,053	11,987,775
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	20,122,227	30,291,922	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	647,520	692,114	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	102,235,328	89,378,847	25,620,883
31. Federal and foreign income taxes incurred.....	XXX	29,365,935	30,904,771	46,951,312
32. Net income (loss) (Lines 30 minus 31).....	XXX	72,869,393	58,474,076	(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.....		655,525	692,964	2,647,320
2902. State Tax Expense.....		(8,005)	(850)	(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	647,520	692,114	2,646,386

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	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.....	72,869,393	58,474,076	(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.....	1,997,031	(4,287,499)	(4,676,050)
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....	13,954,132	5,324,581	32,981,317
39. Change in nonadmitted assets.....	(24,064,223)	(23,173,105)	(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.....	555,839	501,718	683,521
48. Net change in capital and surplus (Lines 34 to 47).....	65,312,172	36,839,771	(35,791,110)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	895,857,606	903,176,316	830,545,434

DETAILS OF WRITE-INS

4701. Capital Lease Adjustment.....	555,839	501,718	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).....	555,839	501,718	683,521

USable Mutual Insurance Company CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	1,807,157,007	1,896,504,586	2,515,736,677
2. Net investment income.....	21,876,612	23,859,094	28,290,967
3. Miscellaneous income.....			
4. Total (Lines 1 through 3).....	1,829,033,619	1,920,363,680	2,544,027,644
5. Benefit and loss related payments.....	1,444,154,718	1,490,349,180	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.....	299,816,894	248,457,507	328,315,823
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.00 tax on capital gains (losses).....	42,000,000	40,000,804	49,894,072
10. Total (Lines 5 through 9).....	1,785,971,612	1,778,807,492	2,405,559,944
11. Net cash from operations (Line 4 minus Line 10).....	43,062,008	141,556,188	138,467,700
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	80,775,215	219,868,267	366,201,225
12.2 Stocks.....	1,608,388	40,682,671	40,682,671
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....	1,393,086		1,772,324
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			(23,687)
12.7 Miscellaneous proceeds.....	1,383,292	63,308	63,075
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	85,159,981	260,614,245	408,695,608
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	132,741,590	302,303,005	456,744,356
13.2 Stocks.....	10,879,993	2,391,406	3,143,066
13.3 Mortgage loans.....			
13.4 Real estate.....		7,205,822	9,321,980
13.5 Other invested assets.....	1,201,553	63,000,000	65,509,733
13.6 Miscellaneous applications.....		1,980,505	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	144,823,135	376,880,738	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).....	(59,663,154)	(116,266,492)	(126,023,527)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	(4,952,362)	(16,820,618)	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).....	(4,952,362)	(16,820,618)	4,165,150
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(21,553,508)	8,469,078	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).....	175,334,373	188,747,636	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
Total Members at End of:										
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.....	613,611	200,584	118,297	119,489	31,692	49,716	70,666	9,272		13,895
4. Third Quarter.....	613,138	200,798	117,120	120,007	31,614	48,757	70,674	9,106		15,062
5. Current Year.....	0									
6. Current Year Member Months.....	5,543,974	1,821,753	1,071,131	1,076,480	280,171	451,717	636,746	84,056		121,920
Total Member Ambulatory Encounters for Period:										
7. Physician.....	2,241,164	266,364	79,619	1,598,349		296,832				
8. Non-Physician.....	2,026,932	305,648	132,438	1,588,846						
9. Total.....	4,268,096	572,012	212,057	3,187,195	0	296,832	0	0	0	0
10. Hospital Patient Days Incurred.....	283,125	62,334	15,684	205,107						
11. Number of Inpatient Admissions.....	42,430	14,002	4,054	24,374						
12. Health Premiums Written (a).....	1,758,915,046	794,656,440	414,738,233	196,607,644	6,215,175	38,607,410	203,865,529	78,298,123		25,926,493
13. Life Premiums Direct.....	0									
14. Property/Casualty Premiums Written.....	0									
15. Health Premiums Earned.....	0									
16. Property/Casualty Premiums Earned.....	0									
17. Amount Paid for Provision of Health Care Services.....	1,417,164,175	608,274,696	330,372,078	165,405,904	4,595,869	27,686,975	189,848,405	69,229,270		21,750,978
18. Amount Incurred for Provision of Health Care Services.....	1,432,591,249	637,094,641	322,513,323	164,973,961	4,595,869	27,892,012	189,855,181	66,642,576		19,023,686

007

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

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0399999. Aggregate Accounts Not Individually Listed-Covered.....	32,262,407		226,039			32,488,446
0499999. Subtotals.....	32,262,407	0	226,039	0	0	32,488,446
0599999. Unreported Claims and Other Claim Reserves.....						196,836,761
0799999. Total Claims Unpaid.....						229,325,208
0899999. Accrued Medical Incentive Pool and Bonus Amounts.....						5,965,259

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).....	81,883,802	915,600,706	2,943,721	163,442,279	84,827,523	141,784,934
2. Medicare Supplement.....	18,244,277	147,161,626	320,767	19,786,733	18,565,044	20,475,000
3. Dental only.....	1,058,679	26,628,296	20,469	1,482,568	1,079,148	1,298,000
4. Vision only.....		4,595,869			.0	
5. Federal Employees Health Benefits Plan.....	18,861,606	170,179,113	495,566	17,222,889	19,357,172	17,598,949
6. Title XVIII - Medicare.....	12,518,766	56,080,270	271,351	11,238,388	12,790,117	13,130,199
7. Title XIX - Medicaid.....					.0	
8. Other health.....	87,745	21,660,701	205,238	5,346,494	292,983	6,249,754
9. Health subtotal (Lines 1 to 8).....	132,654,875	1,341,906,581	4,257,112	218,519,351	136,911,987	200,536,836
10. Healthcare receivables (a).....		44,828,913			.0	
11. Other non-health.....					.0	
12. Medical incentive pools and bonus amounts.....	3,887,791	6,596,426		5,965,259	3,887,791	6,363,732
13. Totals (Lines 9-10+11+12).....	136,542,666	1,303,674,094	4,257,112	224,484,610	140,799,778	206,900,568

609

(a) Excludes \$.00 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
NET INCOME					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 72,869,393	\$ (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	\$ 72,869,393	\$ (21,330,429)
SURPLUS					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 895,857,604	\$ 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	\$ 895,857,604	\$ 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 September 30, 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

A. Mortgage Loans, including Mezzanine Real Estate Loans

No significant changes

B. Debt Restructuring

No significant changes

C. Reverse Mortgages

No significant changes

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

No significant changes

(3) Recognized OTTI securities

No significant changes

(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	\$	35,980
	2. 12 Months or Longer	\$	
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	8,654,047
	2. 12 Months or Longer	\$	

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

No significant changes

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

No significant changes

NOTES TO FINANCIAL STATEMENTS

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

No significant changes

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

No significant changes

H. Repurchase Agreements Transactions Accounted for as a Sale

No significant changes

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

No significant changes

J. Real Estate

No significant changes

K. Low-Income Housing Tax Credits

No significant changes

L. Restricted Assets

No significant changes

M. Working Capital Finance Investments

No significant Changes

N. Offsetting and Netting of Assets and Liabilities

No significant Changes

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

No significant changes

Note 7 – Investment Income

No significant changes

Note 8 – Derivative Instruments

A. Market Risk, Credit Risk, and Cash Requirements of the Derivative

No significant changes

B. Objectives for Using Derivatives

No significant changes

C. Accounting Policies Used for Recognition

No significant changes

D. Derivative Contracts with Financing Premiums

No significant changes

E. Net Gain or Loss Recognized that Represents the Component of the Derivative Instruments' Gain or Loss that was Excluded from the Assessment of Hedge Effectiveness

No significant changes

F. Net Gain or Loss Recognized from Derivatives that No Longer Qualify for Hedge Accounting

No significant changes

G. Derivatives Accounted for as Cash Flow Hedges of a Forecasted Transaction

No significant changes

NOTES TO FINANCIAL STATEMENTS

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

No significant changes

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	\$ 110,040,441	\$ 910,921	\$ 110,951,362	\$ 102,165,437	\$ 789,724	\$ 102,955,161	\$ 7,875,004	\$ 121,197	\$ 7,996,201
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)	\$ 108,517,941	\$ 910,921	\$ 109,428,862	\$ 100,642,937	\$ 789,724	\$ 101,432,661	\$ 7,875,004	\$ 121,197	\$ 7,996,201
d. Deferred tax assets nonadmitted	61,775,827		61,775,827	53,209,642		53,209,642	8,566,185		8,566,185
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 46,742,114	\$ 910,921	\$ 47,653,035	\$ 47,433,295	\$ 789,724	\$ 48,223,019	\$ (691,181)	\$ 121,197	\$ (569,984)
f. Deferred tax liabilities	1,226,184	10,191,148	11,417,332	1,301,940	13,351,920	14,653,860	(75,756)	(3,160,772)	(3,236,528)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 45,515,930	\$ (9,280,227)	\$ 36,235,703	\$ 46,131,355	\$ (12,562,196)	\$ 33,569,159	\$ (615,425)	\$ 3,281,969	\$ 2,666,544

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	\$ 33,464,735	\$	\$ 33,464,735	\$ 30,798,193	\$	\$ 30,798,193	\$ 2,666,542	\$	\$ 2,666,542
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)	2,770,967		2,770,967	2,770,967		2,770,967			
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	2,770,967		2,770,967	2,770,967		2,770,967			
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	10,506,411	910,921	11,417,332	13,864,136	789,724	14,653,860	(3,357,725)	121,197	(3,236,528)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 46,742,113	\$ 910,921	\$ 47,653,034	\$ 47,433,296	\$ 789,724	\$ 48,223,020	\$ (691,183)	\$ 121,197	\$ (569,986)

3. Other Admissibility Criteria

	2019	2018
a. Ratio percentage used to determine recovery period and threshold limitation amount	760.0%	760.1%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 634,052,571	\$ 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	\$ 108,517,941	\$ 910,921	\$ 100,642,937	\$ 789,724	\$ 7,875,004	\$ 121,197

NOTES TO FINANCIAL STATEMENTS

	2019		2018		Change	
	1	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col. 1-3) Ordinary	(Col. 2-4) Capital
from Note 9A1(c)						
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)	\$ 46,742,114	\$ 910,921	\$ 47,433,295	\$ 789,724	\$ (691,181)	\$ 121,197
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

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2019	2018	(Col 1-2) Change
a. Federal	\$ 29,365,935	\$ 49,760,046	\$ (20,394,111)
b. Foreign	\$	\$	\$
c. Subtotal	\$ 29,365,935	\$ 49,760,046	\$ (20,394,111)
d. Federal income tax on net capital gains	\$ 95,154	\$ 3,275,008	\$ (3,179,854)
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$	\$ (2,808,734)	\$ 2,808,734
g. Federal and Foreign income taxes incurred	\$ 29,461,089	\$ 50,226,320	\$ (20,765,231)

2. Deferred Tax Assets

	1	2	3
	2019	2018	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 627,111	\$ 762,084	\$ (134,973)
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs	325,715	436,272	(110,557)
6. Policyholder dividends accrual			
7. Fixed assets	5,288,278	4,889,058	399,220
8. Compensation and benefits accrual	39,480,048	41,162,866	(1,682,818)
9. Pension accrual			
10. Receivables - nonadmitted	15,954,209	12,869,335	3,084,874
11. Net operating loss carry-forward			
12. Tax credit carry-forward	2,770,967	2,770,967	
13. Other (items <=5% and >5% of total ordinary tax assets)	45,594,113	39,274,855	6,319,258
Other (items listed individually >5% of total ordinary tax assets)			
99. Subtotal	110,040,441	102,165,437	7,875,004
b. Statutory valuation allowance adjustment	1,522,500	1,522,500	
c. Nonadmitted	61,775,827	53,209,642	8,566,185
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	46,742,114	47,433,295	(691,181)
e. Capital:			
1. Investments	\$ 910,921	\$ 789,724	\$ 121,197
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	\$ 910,921	\$ 789,724	\$ 121,197
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	910,921	789,724	121,197
i. Admitted deferred tax assets (2d+2h)	\$ 47,653,035	\$ 48,223,019	\$ (569,984)

3. Deferred Tax Liabilities

	1	2	3
			(Col 1-2)

NOTES TO FINANCIAL STATEMENTS

	2019	2018	Change
a. Ordinary:			
1. Investments	\$ 119,514	\$ 195,270	\$ (75,756)
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	1,226,184	1,301,940	(75,756)
b. Capital:			
1. Investments	10,191,148	13,351,920	(3,160,772)
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	10,191,148	13,351,920	(3,160,772)
c. Deferred tax liabilities (3a99+3b99)	\$ 11,417,332	\$ 14,653,860	\$ (3,236,528)
4. Net Deferred Tax Assets (2i – 3c)	\$ 36,235,703	\$ 33,569,159	\$ 2,666,544

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 (%)
Permanent Differences:		
Provision computed at statutory rate	\$ 21,489,401	21.0%
Proration of tax exempt investment income	368,996	0.4%
Tax exempt income deduction	(217,734)	(0.2)%
Dividends received deduction	(1,258,251)	(1.2)%
Disallowed travel and entertainment	71,746	0.1%
Other permanent differences	745,870	0.7%
Temporary Differences:		
Total ordinary DTAs		%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
Other:		
Statutory valuation allowance adjustment		%
Accrual adjustment – prior year	606,943	0.6%
Other	(6,300,013)	(6.2)%
Totals	15,506,958	15.2%
Federal and foreign income taxes incurred	29,365,935	28.7%
Realized capital gains (losses) tax	95,154	0.1%
Change in net deferred income taxes	(13,954,130)	(13.6)%
Total statutory income taxes	\$ 15,506,959	15.2%

E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

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

At September 30, 2019, the Company did not have any unused operating loss carryforwards available to offset against future taxable income

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

Year	Amounts
2019	\$ 30,372,776
2018	\$ 2,121,266

- 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

- 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

- 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)(l) 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.

G. Federal or Foreign Federal Income Tax Loss Contingencies

NOTES TO FINANCIAL STATEMENTS

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

(1) Nature of the Agreement

The Company is a member of the Federal Home Loan Bank (FHLB) of Dallas. Through its membership, the Company has the ability to conduct business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as operational liquidity. (For example backup liquidity, to increase profitability and/or tactical funding and/or to improve spread lending liquidity.) The Company has determined the actual/estimated maximum borrowing capacity as \$ 100,000,000. The Company calculated this amount in accordance with current and potential acquisitions of FHLB capital stock.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year to Date

	Total
(a) Membership Stock – Class A	\$ 699,900
(b) Membership Stock – Class B	
(c) Activity Stock	
(d) Excess Stock	
(e) Aggregate Total (a+b+c+d)	\$ 699,900
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 100,000,000

2. Prior Year-End

	Total
(a) Membership Stock – Class A	\$
(b) Membership Stock – Class B	
(c) Activity Stock	
(d) Excess Stock	
(e) Aggregate Total (a+b+c+d)	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1	2	Eligible for Redemption			
			3	4	5	6
Membership Stock	Current Year to Date Total (2+3+4+5+6)	Not Eligible for Redemption	Less than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
1. Class A	\$ 699,900	\$ 699,900	\$	\$	\$	\$
2. Class B	\$	\$	\$	\$	\$	\$

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date (Current Year to Date)

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
Current Year to Date Total Collateral Pledged	\$	\$	\$
Prior Year Total Collateral Pledged	\$	\$	\$

b. Maximum Amount Pledged During Year

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
Current Year to Date Total Collateral Pledged	\$	\$	\$
Prior Year Total Collateral Pledged	\$	\$	\$

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year to Date

	1 Total	2 Funding Agreements Reserves Established
(a) Debt		XXX
(b) Funding Agreements		
(c) Other		XXX
(d) Aggregate Total (a+b+c)		

NOTES TO FINANCIAL STATEMENTS

2. Prior Year

	1	2
	Total	Funding Agreements Reserves Established
(a) Debt	\$	XXX
(b) Funding Agreements		\$
(c) Other		XXX
(d) Aggregate Total (a+b+c)	\$	\$

b. Maximum Amount During Reporting Period (Current Year to Date)

	Total
1. Debt	
2. Funding Agreements	
3. Other	
4. Aggregate Total (Lines 1+2+3)	

c. FHLB – Prepayment Obligations

	Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO)
1. Debt	NO
2. Funding Agreements	NO
3. Other	NO

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

A. Defined Benefit Plan

(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	\$	\$	\$ 484,500	\$ 836,000	\$	\$
b. Interest cost			4,330,500	5,387,000		
c. Expected return on plan assets						
d. Transition asset or obligation						
e. Gains and losses				544,000		
f. Prior service cost or credit			(1,375,500)	(2,614,000)		
g. Gain or loss recognized due to a settlement curtailment						
h. Total net periodic benefit cost	\$	\$	\$ 3,439,500	\$ 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

A. Transfers of Receivables Reported as Sales

No significant changes

NOTES TO FINANCIAL STATEMENTS

B. Transfer and Servicing of Financial Assets

No significant changes

C. Wash Sales

No significant changes

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
Assets at Fair Value					
Other Invested Assets	\$	\$	\$	\$ 115,294,583	\$ 115,294,583
Bonds	\$	\$	\$	\$	\$
Indust. & Misc	\$	\$ 639,501	\$	\$	\$ 639,501
Common Stock	\$	\$	\$	\$	\$
Indust. & Misc.	\$ 46,005,877	\$ 14,376,177	\$	\$	\$ 60,382,054
Parent Subsid. & Affil.	\$	\$	\$ 178,795,215	\$	\$ 178,795,215
Total	\$ 46,005,877	\$ 15,015,678	\$ 178,795,215	\$ 115,294,583	\$ 355,111,353
Liabilities at Fair Value					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

(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
a. Assets										
Parent, Subsidiaries and Affiliates	\$ 178,250,018	\$	\$	\$	\$ 545,197	\$	\$	\$	\$	\$ 178,795,215
Total	\$ 178,250,018	\$	\$	\$	\$ 545,197	\$	\$	\$	\$	\$ 178,795,215
b. Liabilities										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

(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	\$ 115,294,583	\$ 115,294,583	\$	\$	\$	\$ 115,294,583	\$

NOTES TO FINANCIAL STATEMENTS

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 639,501	\$ 639,501	\$	\$ 639,501	\$	\$	\$
Common Stock	\$ 239,177,269	\$ 239,177,269	\$ 46,005,877	\$ 14,376,177	\$ 178,795,215	\$	\$

- 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:

1. 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 219 individual holdings as of 09/30/2019 with the top 10% of all holdings representing 13.0% 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

The 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 157 at the end of the third quarter 2019, with 14.25% 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%.

The fund has daily liquidity but a 30 calendar day prior to withdraw notice is necessary. As of 09/30/2019, there are \$1.2 Billion assets in the Commingled Fund.

2. Not Applicable (The investments can be redeemed on a monthly basis.)
3. Not Applicable (There is no required capital commitment for the investments in Martingale or Barings)
4. Redemption of shares of either holding are processed on a monthly basis at prevailing market NAV.
5. Not Applicable
6. 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. 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

NOTES TO FINANCIAL STATEMENTS

No significant changes

Note 23 – Reinsurance

No significant changes

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

No significant changes

B. Retrospective Premiums Recorded Through Written Premium or Adjustment to Earned Premium

No significant changes

C. Amount and Percentage of Net Premiums Written Subject to Retrospective Rating Features

No significant changes

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

	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with Rebates	5 Total
Prior Reporting Year					
(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
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$	\$	\$	\$ 0	\$ 0
(8) Medical loss ratio rebates paid	\$	\$	\$	\$ 1,840,421	\$ 1,840,421
(9) Medical loss ratio rebates unpaid	\$	\$	\$	\$	\$
(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	\$

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
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ 3,663,388
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$
3. Premium adjustments payable due to ACA Risk Adjustment	\$
Operations (Revenue & Expenses)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ 362,123
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$ 328,874

b. Transitional ACA Reinsurance Program	AMOUNT
Assets	
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	\$
Liabilities	
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	\$
Operations (Revenue & Expenses)	

NOTES TO FINANCIAL STATEMENTS

b. Transitional ACA Reinsurance Program		AMOUNT
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
Assets		
1.	Accrued retrospective premium due to ACA Risk Corridors	\$
Liabilities		
3.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$
Operations (Revenue & Expenses)		
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		
	1	2	3	4	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)	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)	
a. Permanent ACA Risk Adjustment Program												
1.	Premium adjustments receivable	\$ 4,178,297	\$	\$ 863,230	\$	\$ 3,315,067	\$	\$ 348,321	\$	A	\$ 3,663,388	\$
2.	Premium adjustments (payable)		1,712,819		2,379,293		(666,474)		666,474	B		
3.	Subtotal ACA Permanent Risk Adjustment Program	\$ 4,178,297	\$ 1,712,819	\$ 863,230	\$ 2,379,293	\$ 3,315,067	\$ (666,474)	\$ 348,321	\$ 666,474		\$ 3,663,388	\$
b. Transitional ACA Reinsurance Program												
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 plans									H		
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	\$ 4,389,515	\$ 1,712,819	\$ 1,185,605	\$ 2,379,293	\$ 3,203,910	\$ (666,474)	\$ 459,478	\$ 666,474		\$ 3,663,388	\$

Explanations of Adjustments

- A. Adj for 2018 payable
- B.
- C. 2016 received in 2019
- D.
- E.
- F.
- G.
- H.
- I.
- J.

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

				Differences	Adjustments		Unsettled Balances
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NOTES TO FINANCIAL STATEMENTS

	Accrued the Prior Year Written Dec. 31 of the	During on Business Before Prior Year	Received or Paid as of		Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances	as of the Reporting Date	
			the Current	Year to Date					Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
			Year	Before Dec. 31 of the Prior Year						
1	2	3	4	5	6	7	8	9	10	
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	19,022,136	19,022,136				
d. Total (a+b+c)	\$ 34,941,728	\$ 34,941,728	\$	\$	\$	\$

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 September 30, 2019, \$132,654,876 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$4,257,112 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$23,818,672 favorable prior-year development since December 31, 2018 to September 30, 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	(132,654,876)	
2018 Claims Due and Unpaid	<u>(39,806,176)</u>	
Adjusted Net Reserves	\$ 28,075,784	
2018 Remaining Reserves @ 09/30/2019	<u>4,257,112</u>	
Favorable Development	\$ 23,818,672	

B. Information about Significant Changes in Methodologies and Assumptions

No significant change

Note 26 – Intercompany Pooling Arrangements

No significant changes

NOTES TO FINANCIAL STATEMENTS

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? Yes [X] No []
If yes, complete Schedule Y, Parts 1 and 1A.
- 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? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
- 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? Yes [] No [X] N/A []
If yes, attach an explanation.

- 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:

- 14.21 Bonds
- 14.22 Preferred Stock
- 14.23 Common Stock
- 14.24 Short-Term Investments
- 14.25 Mortgage Loans on Real Estate
- 14.26 All Other
- 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)
- 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

	1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
\$	0	\$ 0
	0	0
	169,735,848	178,795,215
	0	0
	0	0
	99,708,187	77,182,135
\$	269,444,035	\$ 255,977,350
\$	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
Scott B. Winter	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	

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	
106006	Barings, LLC	ANDKRHQKPRRG4Q2KLR05	SEC, CFTC, NFA	
108526	Martingale Asset Management, LP	549300GXM5ZGZJXZ1Y74	SEC	
104559	Pacific Investment Management Company LLC	549300KGPYQZXGMYYN38	SEC	

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:

- 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.
- Issuer or obligor is current on all contracted interest and principal payments.
- 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:

- The security was purchased prior to January 1, 2018.
- The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- 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.
- 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>81.8 %</u>
1.2 A&H cost containment percent		<u>0.4 %</u>
1.3 A&H expense percent excluding cost containment expenses		<u>14.2 %</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 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 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	1,469,553,631	78,298,123		203,865,529		1,751,717,282		
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	7,197,764					7,197,764		
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	1,476,751,395	78,298,123	0	203,865,529	0	1,758,915,046	0	0
60. Reporting entity contributions for Employee Benefit Plans.....	XXX						0		0
61. Total (Direct Business).....	XXX	1,476,751,395	78,298,123	0	203,865,529	0	1,758,915,046	0	0

DETAILS OF WRITE-INS

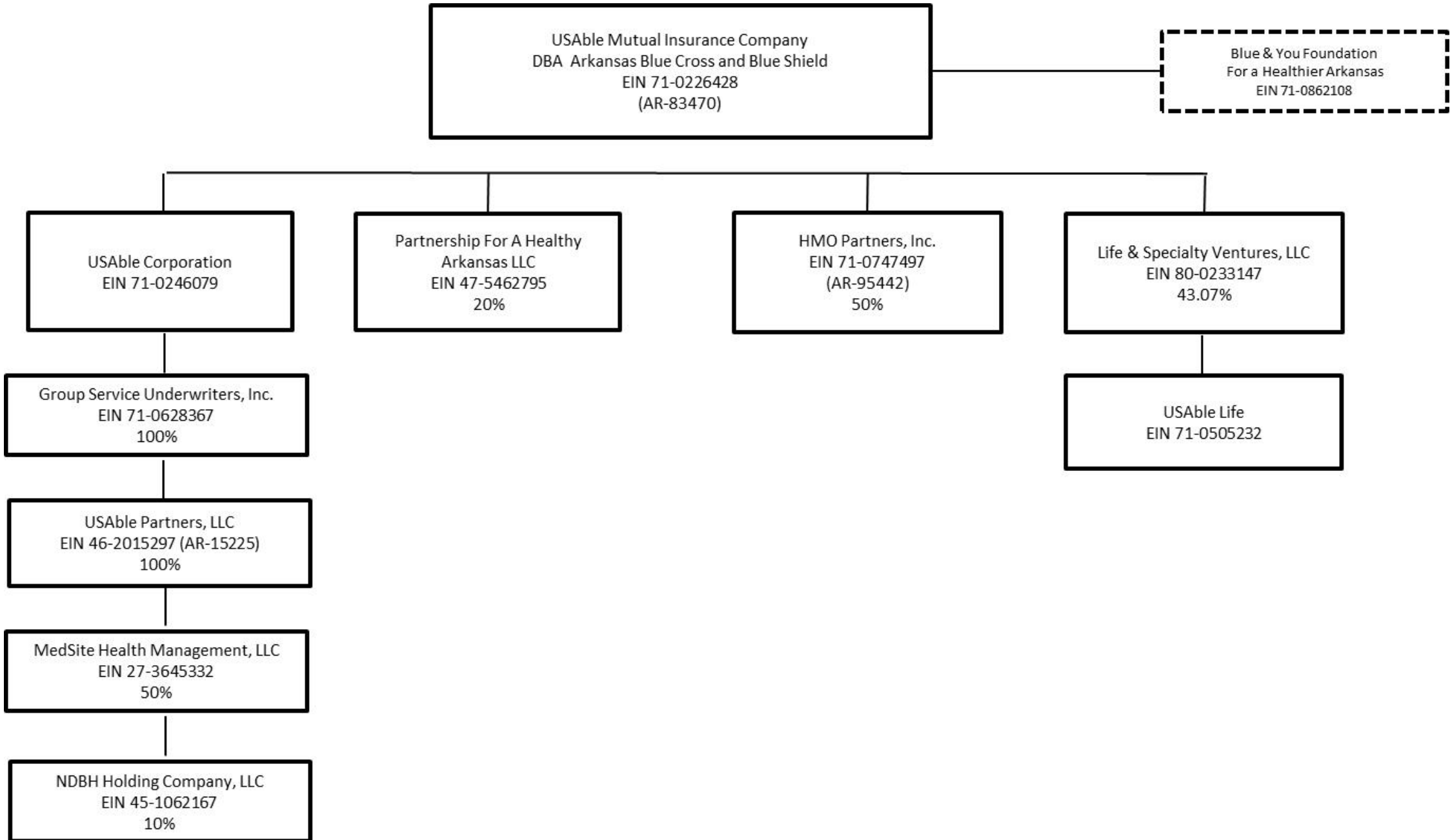
58001.....								0	
58002.....								0	
58003.....								0	
58998. Summary of remaining write-ins for line 58 from overflow page.....		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....		0	0	0	0	0	0	0	0

(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



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)	*
Members															
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.....	

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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:

USable Mutual Insurance Company
Overflow Page for Write-Ins

NONE

USAbile 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.....	3,388,448	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.....	4,829,699	6,076,997
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6+7-8).....	57,596,898	59,038,149
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	57,596,898	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.....	1,201,553	65,509,733
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	(7,962,371)	152,846
6. Total gain (loss) on disposals.....	(373,755)	(234,099)
7. Deduct amounts received on disposals.....	1,393,086	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).....	192,476,719	201,004,379
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	192,476,719	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.....	143,621,582	459,887,423
3. Accrual of discount.....	440,660	498,886
4. Unrealized valuation increase (decrease).....	8,501,266	(21,536,014)
5. Total gain (loss) on disposals.....	825,027	15,853,064
6. Deduct consideration for bonds and stocks disposed of.....	82,383,603	407,353,696
7. Deduct amortization of premium.....	2,750,180	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.....	13,637	469,800
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10).....	980,165,891	911,897,502
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	980,165,891	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
BONDS								
1. NAIC 1 (a).....	765,638,594	74,891,685	116,014,432	10,908,172	698,000,913	765,638,594	735,424,019	733,376,262
2. NAIC 2 (a).....	75,576,161	4,725,381	1,680,000	(12,388,574)	76,671,905	75,576,161	66,232,968	66,572,333
3. NAIC 3 (a).....	636,493			1,301,019	635,168	636,493	1,937,512	614,669
4. NAIC 4 (a).....							0	
5. NAIC 5 (a).....							0	
6. NAIC 6 (a).....							0	
7. Total Bonds.....	841,851,248	79,617,066	117,694,432	(179,383)	775,307,986	841,851,248	803,594,499	800,563,263
PREFERRED STOCK								
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.....	841,851,248	79,617,066	117,694,432	(179,383)	775,307,986	841,851,248	803,594,499	800,563,263

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(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 \$.....67,912,791; 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.....	42,941,403	XXX	42,638,550	150,000	118,604

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.....	121,767,525	272,266,957
3. Accrual of discount.....	1,027,335	1,306,456
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	378	(22,784)
6. Deduct consideration received on disposals.....	174,544,648	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).....	42,941,403	94,690,813
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	42,941,403	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.....	1,622,254,047	2,416,287,760
3. Accrual of discount.....	132,706	69,980
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	1,466	(902)
6. Deduct consideration received on disposals.....	1,612,559,894	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).....	71,780,350	61,952,026
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	71,780,350	61,952,026

SCHEDULE A - PART 2

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

1 Description of Property	Location		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
	2 City	3 State						
Acquired by Purchase								
Main Building Improvements.....	Little Rock.....	AR.....	.....Various	Various.....				.....65,857
Timberland Ashdown.....	Ashdown.....	AR.....	.....Various	Reforestation.....				.....10,236
0199999. Totals.....					.....0	.....0	.....0	.....76,093
0399999. Totals.....					.....0	.....0	.....0	.....76,093

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	Location		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	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
	2 City	3 State						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.							
NONE																			

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	2	Location		5	6	7	8	9	10	11	12	13	
		3	4										
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation and Administrative Symbol/Market Indicator	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made after Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership	
Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated													
97MSCM 3D 9	BABSON CAPITAL FLOATING RATE INCOME FUND		USA	BABSON CAPITAL FLOATING RATE INCOME FUND		01/31/2017			422,167				
1999999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated									0	422,167	0	0	XXX
4499999. Subtotal - Unaffiliated									0	422,167	0	0	XXX
4699999. Totals									0	422,167	0	0	XXX

QE03

SCHEDULE BA - PART 3

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

1	2	Location		5	6	7	8	Changes in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated																			
97MSCM 3D 9	BABSON CAPITAL FLOATING RATE INCOME FUND		USA	VARIOUS	01/31/2017	09/01/2019	618,359	0	0	0	0	0	0	622,685	491,858	0	(130,827)	(130,827)	622,685
1999999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated							618,359	0	0	0	0	0	0	622,685	491,858	0	(130,827)	(130,827)	622,685
4499999. Subtotal - Unaffiliated							618,359	0	0	0	0	0	0	622,685	491,858	0	(130,827)	(130,827)	622,685
4699999. Totals							618,359	0	0	0	0	0	0	622,685	491,858	0	(130,827)	(130,827)	622,685

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)
Bonds - U.S. Government									
912828 H4 5	UNITED STATES TREASURY		09/13/2019	MERRILL LYNCH PIERCE FENNER & SMITH INC		119,811	119,057	51	1
912828 YB 0	UNITED STATES TREASURY		09/30/2019	VARIOUS		8,205,285	8,200,000	11,304	1
912828 YD 6	UNITED STATES TREASURY		09/24/2019	DEUTSCHE BANK SECURITIES, INC		4,146,023	4,200,000	4,125	1
0599999	Total - Bonds - U.S. Government					12,471,120	12,519,057	15,480	XXX
Bonds - U.S. Political Subdivisions of States									
041431 LS 4	ARLINGTON CNTY VA		07/11/2019	RAYMOND JAMES/FI		565,813	560,000	6,301	1FE
2499999	Total - Bonds - U.S. Political Subdivisions of States					565,813	560,000	6,301	XXX
Bonds - U.S. Special Revenue and Special Assessment									
3132DV 3M 5	FH SD8004 - RMBS		08/01/2019	CITIGROUP GLOBAL MARKETS INC		5,046,959	4,985,420	1,662	1
3132DV 3Y 9	FH SD8015 - RMBS		09/23/2019	MLPFS INC FIXED INCOME		3,385,391	3,400,000	5,667	1
3133EK EC 6	FEDERAL FARM CREDIT BANKS FUNDING CORP		08/13/2019	RAYMOND JAMES/FI		1,040,500	1,000,000	3,335	1
31418D FF 4	FN MA3765 - RMBS		09/01/2019	MLPFS INC FIXED INCOME		3,410,770	3,392,746	707	1
77924P AD 7	ROUND ROCK TEX TRANS & ECONOMIC DEV COR		07/26/2019	Citigroup Global Markets, Inc		600,000	600,000		1FE
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments					13,483,620	13,378,167	11,370	XXX
Bonds - Industrial and Miscellaneous									
009158 AV 8	AIR PRODUCTS AND CHEMICALS INC		08/21/2019	J.P. MORGAN SECURITIES INC		211,756	200,000	428	1FE
05600L AA 4	BMW FINANCE NV	C	08/07/2019	BARCLAYS CAPITAL INC		1,299,025	1,300,000		1FE
09062X AF 0	BIOGEN INC		07/17/2019	MORGAN STANLEY SMITH BARNEY		3,633,784	3,400,000	47,430	2FE
126408 HD 8	CSX CORP		08/16/2019	Southwest Securities		636,960	600,000	6,086	2FE
30231G BD 3	EXXON MOBIL CORP		08/13/2019	J.P. Morgan Securities LLC		900,000	900,000		1FE
436106 AA 6	HOLLYFRONTIER CORP		08/13/2019	130		454,637	405,000	8,857	2FE
459200 AR 2	INTERNATIONAL BUSINESS MACHINES CORPORAT		07/15/2019	Stifel, Nicolaus & Co., Inc		4,252,202	3,460,000	99,237	1FE
46651Q AA 5	JPMCC 19FL12 A - CMBS		09/19/2019	JP MORGAN SECURITIES LLC		1,000,000	1,000,000		1FE
3899999	Total - Bonds - Industrial and Miscellaneous					12,388,363	11,265,000	162,037	XXX
8399997	Total - Bonds - Part 3					38,908,916	37,722,224	195,189	XXX
8399999	Total - Bonds					38,908,916	37,722,224	195,189	XXX
Common Stocks - Industrial and Miscellaneous									
000000 00 0	BCBSB1 MEMBERSHIP		09/26/2019	Unknown	9,000	900			V
072730 30 2	BAYER AKTIENGESELLSCHAFT EACH RE ADR	C	07/25/2019	US BANCORP	42,000,000	701,169			L
166764 10 0	CHEVRON ORD		07/26/2019	MERRILL LYNCH,PIERCE,FENNER & SMITH	5,000,000	617,037			L
20825C 10 4	CONOCOPHILLIPS ORD		07/31/2019	US BANCORP	34,000,000	2,003,960			L
354613 10 1	FRANKLIN RESOURCES ORD		07/29/2019	VARIOUS	12,000,000	415,117			L
651639 10 6	NEWMONT GOLDCORP ORD		07/29/2019	VARIOUS	15,850,000	594,220			L
739239 10 1	POWER CORP OF CANADA ORD	A	07/25/2019	US BANCORP	93,000,000	2,021,212			V
878742 20 4	TECK RESOURCES CL B ORD	C	07/26/2019	US BANCORP	81,000,000	1,725,179			L
9099999	Total - Common Stocks - Industrial and Miscellaneous					8,078,793		0	XXX
9799997	Total - Common Stocks - Part 3					8,078,793		0	XXX
9799999	Total - Common Stocks					8,078,793		0	XXX
9899999	Total - Preferred and Common Stocks					8,078,793		0	XXX
9999999	Total - Bonds, Preferred and Common Stocks					46,987,709		195,189	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)	
Bonds - U.S. Government																						
38378U 8L 4	GNR 15H04B FA - CMO		09/20/2019	Paydown		32,276	32,276	32,467					(43)		32,425		(149)	(149)	701	12/20/2064	1	
912828 6V 7	UNITED STATES TREASURY		09/23/2019	MLPFS INC FIXED INCOME		5,232,500	5,200,000	5,236,563					(4,905)		5,231,657		843	843	35,324	05/31/2021	1	
0599999	Total - Bonds - U.S. Government					5,264,776	5,232,276	5,269,030	0	0	(4,948)	0	(4,948)	0	5,264,083	0	693	693	36,025	XXX	XXX	
Bonds - U.S. Special Revenue and Special Assessment																						
01026C AC 5	ALABAMA ECONOMIC SETTLEMENT AUTH BP SETT		09/15/2019	Call @ 100.00		155,000	155,000	155,006					(60)		155,946		(946)	(946)	2,451	09/15/2025	1FE	
3128MJ 5B 2	FH G08841 - RMBS		09/01/2019	Paydown		58,642	58,642	57,923					8		57,940		702	702	1,404	10/01/2048	1	
3128MJ 5T 3	FH G08857 - RMBS		09/01/2019	Paydown		3,036,323	3,036,323	3,083,054					(683)		3,082,370		(46,047)	(46,047)	82,163	01/01/2049	1	
3130AD UJ 9	FEDERAL HOME LOAN BANKS		09/30/2019	PERSHING LLC		1,002,500	1,000,000	999,720	999,831				100		999,932		2,568	2,568	23,750	03/30/2020	1	
3132AD XM 3	FH ZT1593 - RMBS		09/01/2019	Paydown		953,998	953,998	973,376					(150)		973,226		(19,228)	(19,228)	6,170	01/01/2049	1	
3132DV 3M 5	FH SD8004 - RMBS		09/01/2019	Paydown		23,128	23,128	23,414					(3)		23,411		(283)	(283)	58	08/01/2049	1	
3140J6 GJ 0	FN BM2000 - RMBS		09/01/2019	Paydown		836,118	836,118	831,415					(82)		831,326		4,792	4,792	19,768	05/01/2047	1	
31418C P5 7	FN MA3143 - RMBS		09/01/2019	Paydown		902,067	902,067	875,076					609		875,623		26,444	26,444	18,469	09/01/2047	1	
31418C R8 9	FN MA3210 - RMBS		09/01/2019	Paydown		1,217,680	1,217,680	1,210,688					(71)		1,210,614		7,066	7,066	28,842	12/01/2047	1	
31418C XN 9	FN MA3384 - RMBS		09/01/2019	Paydown		453,222	453,222	462,375					(452)		461,620		(8,398)	(8,398)	12,352	06/01/2048	1	
517705 AP 4	LAS VEGAS NEV CTFIS PARTN		09/03/2019	Call @ 100.00		1,000,000	1,000,000	1,185,460	1,041,369				(41,369)		1,000,000				78,000	09/01/2039	1FE	
708797 AN 5	PENNSYLVANIA HSG FIN AGY SPL LTD OBLIG M		09/26/2019	Call @ 100.00		1,770	1,770	1,700					2		1,703		67	67	45	08/01/2035	1FE	
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments					9,640,449	9,637,949	9,860,207	2,041,201	0	(42,150)	0	(42,150)	0	9,673,711	0	(33,262)	(33,262)	273,472	XXX	XXX	
Bonds - Industrial and Miscellaneous																						
009158 AP 1	AIR PRODUCTS AND CHEMICALS INC		08/21/2019	Maturity @ 100.00		300,000	300,000	326,442	303,085				(3,085)		300,000				13,125	08/21/2019	1FE	
037411 AP 0	APACHE CORP		07/01/2019	Maturity @ 100.00		500,000	500,000	630,455	513,212				(13,212)		500,000				38,125	07/01/2019	2FE	
05972M AA 2	BCMT 19CRE5 A - CMBS		07/17/2019	Paydown		8,686	8,686	8,686					0		8,686		(0)	(0)	91	03/17/2036	1FE	
12555D AB 1	CIM 19INV1 A2 - CMO/RMBS		09/25/2019	Paydown		108,307	108,307	108,091					(166)		107,925		382	382	1,524	02/25/2049	1FE	
666807 BA 9	NORTHROP GRUMMAN CORP		08/01/2019	Maturity @ 100.00		850,000	850,000	951,830	861,462				(11,462)		850,000				42,925	08/01/2019	2FE	
73316P AG 5	POPLR 044 AV1 - RMBS		09/25/2019	Paydown		1,053	1,053	1,039					2		1,042		11	11	23	09/25/2034	1FE	
774341 AB 7	ROCKWELL COLLINS INC		07/15/2019	Maturity @ 100.00		330,000	330,000	375,312	335,302				(5,302)		330,000				17,325	07/15/2019	2FE	
882508 AU 8	TEXAS INSTRUMENTS INC		08/05/2019	Maturity @ 100.00		1,040,000	1,040,000	1,022,970	39,918				2,076		1,040,000				17,160	08/03/2019	1FE	
3899999	Total - Bonds - Industrial and Miscellaneous					3,138,046	3,138,046	3,424,826	2,052,979	0	(31,149)	0	(31,149)	0	3,137,654	0	393	393	130,297	XXX	XXX	
8399997	Total - Bonds - Part 4					18,043,271	18,008,271	18,554,062	4,094,180	0	(78,247)	0	(78,247)	0	18,075,447	0	(32,177)	(32,177)	439,795	XXX	XXX	
8399999	Total - Bonds					18,043,271	18,008,271	18,554,062	4,094,180	0	(78,247)	0	(78,247)	0	18,075,447	0	(32,177)	(32,177)	439,795	XXX	XXX	
Common Stocks - Industrial and Miscellaneous																						
72724* 10 4	PLANS LIABILITY INSURANCE CO		07/12/2019	Unknown		4,940	5	5	5				0		5					XXX	A	
9099999	Total - Common Stocks - Industrial and Miscellaneous					5	5	5	5	0	0	0	0	0	5	0	0	0	0	0	XXX	XXX
9799997	Total - Common Stocks - Part 4					5	5	5	5	0	0	0	0	5	0	0	0	0	0	0	XXX	XXX
9799999	Total - Common Stocks					5	5	5	5	0	0	0	0	5	0	0	0	0	0	0	XXX	XXX
9899999	Total - Preferred and Common Stocks					5	5	5	5	0	0	0	0	5	0	0	0	0	0	0	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks					18,043,276	18,008,276	18,554,067	4,094,185	0	(78,247)	0	(78,247)	0	18,075,452	0	(32,177)	(32,177)	439,795	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	
Open Depositories								
Bank of America..... Little Rock, AR.....								XXX
BAAA Claims.....					6,959,733	8,984,420	11,082,681	XXX
BAAA Operating.....					9,015,695	16,464,333	3,875,034	XXX
BAAA Refunds.....					1,144,578	842,681	1,077,476	XXX
BC Reg Business Claims.....					(632,297)	(610,889)	(723,188)	XXX
Clearinghouse Bank Account.....					305,264	337,609	368,884	XXX
Exchange Claims.....					(1,209,117)	(811,677)	(974,106)	XXX
FEP Basic Option EFT.....					520	520	936,855	XXX
FEP Standard Option EFT.....					(735)	(735)	198	XXX
General Acct.....					14,760,567	16,829,696	5,606,185	XXX
LTC CHCS.....					173,475	180,078	175,663	XXX
Med Adv ACH Prens.....					212,379	301,474	407,802	XXX
Medipak Assigned EFT.....					16,060	-	-	XXX
Payroll Acct.....					22,241	22,317	22,367	XXX
PDP ACH Premiums.....					18,478	18,478	18,478	XXX
USAM Claims.....					1,697,331	1,795,621	1,852,257	XXX
Walmart Claims.....					13,784,793	13,598,131	14,643,135	XXX
.....								XXX
Bank of America..... Vadalia, MO.....								XXX
Accounts Payable.....					(2,410,372)	(1,869,248)	(5,495,590)	XXX
GCPS Assigned EFT.....					(22,202)	-	-	XXX
GCPS Assigned.....					(10,922)	(28,082)	(9,244)	XXX
GCPS Unassigned.....					(115,738)	(119,528)	(115,272)	XXX
.....								XXX
Simmons First National Bank..... Pine Bluff, AR.....								XXX
ABCBS MMA DDA.....			25,322		7,177,002	7,186,086	7,193,800	XXX
Accounts Payable EFT.....					(963)	-	100	XXX
BlueCard Claims.....					(130,204)	(214,917)	(168,861)	XXX
FEP Basic Option.....					(106,407)	(155,958)	(139,458)	XXX
FEP Blue Focus Option.....					(300)	(398)	(535)	XXX
FEP Investment.....					2,160,276	2,160,332	1,223,648	XXX
FEP Standard Option.....					(150,434)	(144,647)	(174,490)	XXX
Medipak Assigned.....					(124,796)	(143,983)	(146,558)	XXX
Medipak Unassigned.....					(637,214)	(695,815)	(512,056)	XXX
Parent Acct.....					5,376,665	5,050,618	5,817,509	XXX
FEP Blue Focus Option EFT.....						(16,097)	127	XXX
.....								XXX
US Bank..... St. Louis, MO.....								XXX
Membres Lockbox.....					3,298,425	1,984,636	12,409,051	XXX
Uninvested Cash.....					438	438	956	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	2,945		2,330,000	2,330,000	2,330,000	XXX
0199999. Total Open Depositories.....	XXX	XXX	28,266	0	62,927,219	73,300,493	60,607,849	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	28,266	0	62,927,219	73,300,493	60,607,849	XXX
0499999. Cash in Company's Office.....	XXX	XXX	XXX	XXX	4,772	4,772	4,772	XXX
0599999. Total Cash.....	XXX	XXX	28,266	0	62,931,991	73,305,265	60,612,621	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
U.S. Government Bonds - Issuer Obligations								
	UNITED STATES TREASURY		09/03/2019.....		10/22/2019.....	24,971,388		36,788
0199999	U.S. Government Bonds - Issuer Obligations.....					24,971,388	0	36,788
0599999	Total - U.S. Government Bonds.....					24,971,388	0	36,788
Total Bonds								
7799999	Subtotals - Issuer Obligations.....					24,971,388	0	36,788
8399999	Subtotals - Bonds.....					24,971,388	0	36,788
Exempt Money Market Mutual Funds as Identified by the SVO								
60934N 50 0	FEDERATED TREAS OBL INST.....		09/30/2019.....	1.780		46,702,463	101,499	1,178
8599999	Total - Exempt Money Market Mutual Funds as Identified by the SVO.....					46,702,463	101,499	1,178
All Other Money Market Mutual Funds								
316175 60 3	FIDELITY IMM:GOVT III.....		02/08/2018.....	1.580		106,500	153	1,589
8699999	Total - All Other Money Market Mutual Funds.....					106,500	153	1,589
8899999	Total - Cash Equivalents.....					71,780,350	101,652	39,555

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.....	18,374,668	XXX	1,670,964	XXX	20,045,632
2. Earned premiums.....	20,483,227	XXX	1,950,306	XXX	XXX
3. Claims paid.....	17,015,232	XXX	1,690,032	XXX	18,705,264
4. Claims incurred.....	16,172,997	XXX	1,616,666	XXX	XXX
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a).....	XXX	(1,580,965)	XXX	295,092	(1,285,873)
6. Aggregate policy reserves - change.....		XXX		XXX	XXX
7. Expenses paid.....	5,171,069	XXX	263,777	XXX	5,434,846
8. Expenses incurred.....	5,048,455	XXX	212,088	XXX	XXX
9. Underwriting gain or loss.....	(738,225)	XXX	121,552	XXX	XXX
10. Cash flow results.....	XXX	XXX	XXX	XXX	(2,808,605)

(a) Uninsured Receivable/Payable with CMS at End of Quarter \$.0 due from CMS or \$.848,370 due to CMS.