



ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2018

OF THE CONDITION AND AFFAIRS OF THE

Arkansas Superior Select, Inc.

NAIC Group Code	0000 <small>(Current Period)</small>	0000 <small>(Prior Period)</small>	NAIC Company Code	15135	Employer's ID Number	800875493
Organized under the Laws of	Arkansas		State of Domicile or Port of Entry	AR		
Country of Domicile	United States of America					
Licensed as business type:	<input type="checkbox"/> Life, Accident & Health[] <input type="checkbox"/> Dental Service Corporation[] <input type="checkbox"/> Other[]		<input type="checkbox"/> Property/Casualty[] <input type="checkbox"/> Vision Service Corporation[] <input type="checkbox"/> Is HMO Federally Qualified? Yes[] No[X] N/A[]		<input type="checkbox"/> Hospital, Medical & Dental Service or Indemnity[] <input type="checkbox"/> Health Maintenance Organization[X]	
Incorporated/Organized	11/13/2012		Commenced Business	01/01/2015		
Statutory Home Office	1 Riverfront Place, Suite 615 <small>(Street and Number)</small>			North Little Rock, AR, US 72114 <small>(City or Town, State, Country and Zip Code)</small>		
Main Administrative Office	1 Riverfront Place, Suite 615 <small>(Street and Number)</small>			North Little Rock, AR, US 72114 <small>(City or Town, State, Country and Zip Code)</small>		
Mail Address	1 Riverfront Place, Suite 300 <small>(Street and Number or P.O. Box)</small>			North Little Rock, AR, US 72114 <small>(City or Town, State, Country and Zip Code)</small>		
Primary Location of Books and Records	1 Riverfront Place, Suite 300 <small>(Street and Number)</small>			North Little Rock, AR, US 72114 <small>(City or Town, State, Country and Zip Code)</small>		
Internet Website Address	www.superiorselectinc.com			(501)372-1922 <small>(Area Code) (Telephone Number)</small>		
Statutory Statement Contact	Alan Gable <small>(Name)</small>			(501)372-1922 <small>(Area Code)(Telephone Number)(Extension)</small>		
	agable@superiorselectinc.com <small>(E-Mail Address)</small>			(501)372-1932 <small>(Fax Number)</small>		

OFFICERS

Name	Title
David Lamar Norsworthy	President
James Bennett Cooper	Vice President
John Ponthie	Secretary #
Alan Matthew Gable	Treasurer / CFO #
Jason Wayne Lee	Assistant Secretary

OTHERS

DIRECTORS OR TRUSTEES

David Lamar Norsworthy James Bennett Cooper John Ponthie # Tobey Koehler #	Jerry Don Sams Dr. Brad Bibb # John Ellis #
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State of Arkansas
 County of _____ ss

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

_____ <small>(Signature)</small> David Lamar Norsworthy <small>(Printed Name)</small> 1. President <small>(Title)</small>	_____ <small>(Signature)</small> Jason Wayne Lee <small>(Printed Name)</small> 2. Assistant Secretary <small>(Title)</small>	_____ <small>(Signature)</small> Alan Matthew Gable <small>(Printed Name)</small> 3. Treasurer / CFO <small>(Title)</small>
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Subscribed and sworn to before me this _____ day of _____, 2019

- a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)				
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....9,218,726, Schedule E Part 1), cash equivalents (\$.....306,764, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	9,525,490		9,525,490	8,028,298
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	1,064,197	113,312	950,885	241,628
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	10,589,687	113,312	10,476,375	8,269,926
13. Title plants less \$.....0 charged off (for Title insurers only)				278
14. Investment income due and accrued				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	327,277		327,277	51,196
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	88,162		88,162	
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	1,129,615		1,129,615	40,273
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	2,250,000		2,250,000	
24. Health care (\$.....655,741) and other amounts receivable	655,741		655,741	314,856
25. Aggregate write-ins for other than invested assets	3,383	3,383		14,321
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	15,043,865	116,695	14,927,170	8,690,850
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	15,043,865	116,695	14,927,170	8,690,850
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Other Receivables				14,321
2502. Deposits				
2503. Prepaid Expenses	3,383	3,383		
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,383	3,383		14,321

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	8,950,997		8,950,997	3,478,307
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	74,664		74,664	99,190
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act				1,714,061
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	889,350		889,350	285,625
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				
23. Aggregate write-ins for other liabilities (including \$.....0 current)				
24. TOTAL Liabilities (Lines 1 to 23)	9,915,011		9,915,011	5,577,183
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	300,000	300,000
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	23,544,643	17,261,150
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	(18,832,484)	(14,447,483)
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.20 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	5,012,159	3,113,667
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	14,927,170	8,690,850
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	24,679	7,519
2. Net premium income (including \$.....0 non-health premium income)	X X X	27,863,836	11,535,752
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		102,376
8. TOTAL Revenues (Lines 2 to 7)	X X X	27,863,836	11,638,128
Hospital and Medical:			
9. Hospital/medical benefits		23,869,676	10,316,240
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		2,479,756	1,029,159
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		26,349,432	11,345,399
Less:			
17. Net reinsurance recoveries		88,162	14,210
18. TOTAL Hospital and Medical (Lines 16 minus 17)		26,261,270	11,331,189
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....1,421,659 cost containment expenses		1,651,703	1,250,084
21. General administrative expenses		5,918,074	3,202,792
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		(1,714,061)	341,836
23. TOTAL Underwriting Deductions (Lines 18 through 22)		32,116,986	16,125,901
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(4,253,150)	(4,487,773)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		77,136	
26. Net realized capital gains (losses) less capital gains tax of \$.....0			1,334
27. Net investment gains (losses) (Lines 25 plus 26)		77,136	1,334
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(4,176,014)	(4,486,439)
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	(4,176,014)	(4,486,439)
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701. Proceeds from Sale of Fixed Assets	X X X		102,376
0702. Consulting Services	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		102,376
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	3,113,667	1,260,751
34.	Net income or (loss) from Line 32	(4,176,014)	(4,486,439)
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	(219,431)	
37.	Change in net unrealized foreign exchange capital gain or (loss)		(391,478)
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	10,443	290,833
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	6,283,493	6,440,000
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	1,898,491	1,852,916
49.	Capital and surplus end of reporting year (Line 33 plus 48)	5,012,158	3,113,667
DETAILS OF WRITE-INS			
4701.		
4702.		
4703.		
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	25,873,694	11,511,270
2.	Net investment income	77,414	1,114
3.	Miscellaneous income		102,376
4.	TOTAL (Lines 1 through 3)	25,951,108	11,614,760
5.	Benefit and loss related payments	19,426,937	9,671,387
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	8,079,211	4,014,315
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	219,431	
10.	TOTAL (Lines 5 through 9)	27,725,579	13,685,702
11.	Net cash from operations (Line 4 minus Line 10)	(1,774,471)	(2,070,942)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments	219,431	
12.7	Miscellaneous proceeds		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	219,431	
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets	1,042,000	610,000
13.6	Miscellaneous applications		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	1,042,000	610,000
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(822,569)	(610,000)
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	6,283,493	6,440,000
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(2,189,261)	122,803
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	4,094,232	6,562,803
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,497,192	3,881,861
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	8,028,298	4,146,437
19.2	End of year (Line 18 plus Line 19.1)	9,525,490	8,028,298

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	27,863,836			181,929			27,681,907			
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. TOTAL Revenues (Lines 1 to 6)	27,863,836			181,929			27,681,907			
8. Hospital/medical benefits	23,869,676			69,639			23,800,037			X X X
9. Other professional services										X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area										X X X
12. Prescription drugs	2,479,756						2,479,756			X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts										X X X
15. Subtotal (Lines 8 to 14)	26,349,432			69,639			26,279,793			X X X
16. Net reinsurance recoveries	88,162						88,162			X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	26,261,270			69,639			26,191,631			X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....1,421,659 cost containment expenses	1,651,703						1,651,703			
20. General administrative expenses	5,918,074			124,559			5,793,515			
21. Increase in reserves for accident and health contracts	(1,714,061)						(1,714,061)			X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	32,116,986			194,198			31,922,788			
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(4,253,150)			(12,269)			(4,240,881)			
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.										X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)				
2.	Medicare Supplement				
3.	Dental only	181,929			181,929
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare	27,797,202		115,295	27,681,907
7.	Title XIX - Medicaid				
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	27,979,131		115,295	27,863,836
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	27,979,131		115,295	27,863,836

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	20,898,304			58,058			20,840,246			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	20,898,304			58,058			20,840,246			
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	8,950,997			11,581			8,939,416			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	8,950,997			11,581			8,939,416			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	21,561						21,561			
7. Amounts recoverable from reinsurers December 31, current year	88,162						88,162			
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	3,478,307						3,478,307			
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	3,478,307						3,478,307			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	26,349,433			69,639			26,279,794			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	88,162						88,162			
12.4 Net	26,261,271			69,639			26,191,632			
13. Incurred medical incentive pools and bonuses										

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct										
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net										
2. Incurred but Unreported:										
2.1 Direct	8,950,997			11,581			8,939,416			
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	8,950,997			11,581			8,939,416			
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	8,950,997			11,581			8,939,416			
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	8,950,997			11,581			8,939,416			

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	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	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business						
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only		58,058		11,581		
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	3,745,899	17,277,821	115	8,939,301	3,746,014	3,478,307
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	3,745,899	17,335,879	115	8,950,882	3,746,014	3,478,307
10. Healthcare receivables (a)		373,307				80,109
11. Other non-health						
12. Medical incentive pool and bonus amounts						
13. TOTALS (Lines 9 - 10 + 11 + 12)	3,745,899	16,962,572	115	8,950,882	3,746,014	3,398,198

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior					
2. 2014					
3. 2015	X X X	943	1,515	1,515	1,515
4. 2016	X X X	X X X	3,581	5,155	5,155
5. 2017	X X X	X X X	X X X	8,034	11,780
6. 2018	X X X	X X X	X X X	X X X	17,020

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior					
2. 2014					
3. 2015	X X X	1,974	1,521	1,515	1,515
4. 2016	X X X	X X X	5,330	5,176	5,155
5. 2017	X X X	X X X	X X X	11,492	11,780
6. 2018	X X X	X X X	X X X	X X X	25,970

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2014										
2. 2015	1,567	1,515			1,515	96.682			1,515	96.682
3. 2016	5,053	5,155			5,155	102.019			5,155	102.019
4. 2017	11,536	11,780	13	0.108	11,793	102.226			11,793	102.226
5. 2018	27,979	17,020	61	0.360	17,081	61.050	8,950	74	26,105	93.303

12 Grand Total

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Dental Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior					
2. 2014					
3. 2015	X X X				
4. 2016	X X X	X X X			
5. 2017	X X X	X X X	X X X		
6. 2018	X X X	X X X	X X X	X X X	58

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior					
2. 2014					
3. 2015	X X X				
4. 2016	X X X	X X X			
5. 2017	X X X	X X X	X X X		
6. 2018	X X X	X X X	X X X	X X X	69

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2014										
2. 2015										
3. 2016										
4. 2017										
5. 2018	182	58			58	31.868	11		69	37.912

12 Dental Only

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior					
2. 2014					
3. 2015	X X X	943	1,515	1,515	1,515
4. 2016	X X X	X X X	3,581	5,155	5,155
5. 2017	X X X	X X X	X X X	8,034	11,780
6. 2018	X X X	X X X	X X X	X X X	16,962

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior					
2. 2014					
3. 2015	X X X	1,974	1,521	1,515	1,515
4. 2016	X X X	X X X	5,330	5,176	5,155
5. 2017	X X X	X X X	X X X	11,492	11,780
6. 2018	X X X	X X X	X X X	X X X	25,901

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2014										
2. 2015	1,567	1,515			1,515	96.682			1,515	96.682
3. 2016	5,053	5,155			5,155	102.019			5,155	102.019
4. 2017	11,536	11,780	13	0.108	11,793	102.226			11,793	102.226
5. 2018	27,797	16,962	61	0.361	17,023	61.241	8,939	74	26,036	93.666

12 Title XVIII-Medicare

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)	3,748	607	15,604		19,959
2. Salaries, wages and other benefits	282,559	45,722	1,176,236		1,504,517
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)	218,799	35,405	910,817		1,165,021
4. Legal fees and expenses	31,164	5,043	129,731		165,938
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services	207,818	33,628	865,102		1,106,548
7. Traveling expenses	26,705	4,321	111,166		142,192
8. Marketing and advertising	44,864	7,260	186,761		238,885
9. Postage, express and telephone	7,600	1,230	31,635		40,465
10. Printing and office supplies	22,248	3,600	92,614		118,462
11. Occupancy, depreciation and amortization	1,150	186	4,787		6,123
12. Equipment					
13. Cost or depreciation of EDP equipment and software	3,176	514	13,220		16,910
14. Outsourced services including EDP, claims, and other services	359,257	58,133	1,495,512		1,912,902
15. Boards, bureaus and association fees					
16. Insurance, except on real estate	837	135	3,483		4,455
17. Collection and bank service charges	1,776	287	7,394		9,457
18. Group service and administration fees					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes					
23.3 Regulatory authority licenses and fees					
23.4 Payroll taxes					
23.5 Other (excluding federal income and real estate taxes)	19,997	3,236	83,244		106,477
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	189,961	30,737	790,767		1,011,465
26. TOTAL Expenses Incurred (Lines 1 to 25)	1,421,659	230,044	5,918,073		(a) 7,569,776
27. Less expenses unpaid December 31, current year		74,664	889,350		964,014
28. Add expenses unpaid December 31, prior year		99,190	285,625		384,815
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	1,421,659	254,570	5,314,348		6,990,577
DETAILS OF WRITE-INS					
2501. Enrollment	46,921	7,592	195,321		249,834
2502. Provider Network	15,033	2,433	62,581		80,047
2503. Office Admin Expenses	128,007	20,712	532,865		681,584
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	189,961	30,737	790,767		1,011,465

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 77,136	77,136
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL gross investment income	77,136	77,136
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		
17. Net Investment income (Line 10 minus Line 16)		77,136
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets				(219,431)	
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)				(219,431)	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)	113,312		(113,312)
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	113,312		(113,312)
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans		709	709
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets		4,787	4,787
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable		80,012	80,012
25. Aggregate write-ins for other than invested assets	3,383	41,630	38,247
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	116,695	127,138	10,443
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	116,695	127,138	10,443
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Other Receivables		37,048	37,048
2502. Deposits		4,582	4,582
2503. Prepaid Expenses	3,383		(3,383)
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,383	41,630	38,247

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	885	1,700	1,850	2,237	2,910	24,679
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	885	1,700	1,850	2,237	2,910	24,679
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Arkansas Superior Select, Inc. (“ASSI” or the “Company”) have been prepared in conformity with accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Arkansas Insurance law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of Arkansas.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Arkansas is shown below:

		SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME						
(1)	State basis (Page 4, Line 32, Columns 2 & 3)				(4,176,014)	(4,486,438)
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(201)						
(299)	Total				0	0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:					
(301)						
(399)	Total				0	0
(4)	NAIC SAP (1-2-3=4)				(4,176,014)	(4,486,438)
SURPLUS						
(5)	State basis (Page 3, Line 33, Columns 3 & 4)				5,012,159	3,113,667
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(601)						
(699)	Total				0	0
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:					
(701)						
(799)	Total				0	0
(8)	NAIC SAP (5-6-7=8)				5,012,159	3,113,667

B. Use of Estimates in the Preparation of the Financial Statements.

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 disclosures 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

- (1) Short-term investments are stated at amortized cost.
- (2) The Company had no bonds, mandatory convertible securities and SVO-Identified investments.
- (3) The Company had no common stock.
- (4) The Company had no preferred stock.
- (5) The Company had no mortgage loans.
- (6) The Company had no loan-backed securities.

Notes to Financial Statements

(7) The Company had no subsidiaries, controlled and affiliated investments.

(8) The Company had no investments in joint ventures, partnership, or limited liability companies.

(9) The Company had no derivatives.

(10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company capitalizes, depreciates or amortizes, and admits EDP equipment and operating software in accordance with SSAP No. 16R. The Company also capitalizes furniture, fixtures and equipment, and leasehold improvements, and nonadmits them in accordance with SSAP No. 19.

(13) Pharmacy rebates are recorded based on the estimate letter provided by the pharmacy benefit manager, Envision.

D. **Going Concern**

While administrative expenses and medical experience remain high, organizational changes continue to be put into place that will be more efficient and cost-effective. The Owners of ASSI continue to be committed to maintaining adequate capital and surplus as the organization grows and captures a larger segment of the market.

2. Accounting Changes and Corrections of Errors

None noted

3. Business Combinations and Goodwill

A. Statutory Purchase Method - None

B. Statutory Merger - None

C. Assumption Reinsurance – None

D. Impairment Loss – None

4. Discontinued Operations

None

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - None

B. Debt Restructuring - None

C. Reverse Mortgages - None

D. Loan-Backed Securities - None

E. Dollar Repurchase Agreements and/or Securities Lending Transactions – None

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None

H. Repurchase Agreements Transactions Accounted for as a Sale – None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale – None

J. Real Estate – None

K. Low-income housing tax credits (LIHTC) – None

Notes to Financial Statements

L. Restricted Assets

As of December 31, 2018, the Company maintained on deposit with the Arkansas Insurance Department \$306,764 in the Invesco Treasury Portfolio Short-term Investments Trust fund.

(1) Restricted Assets (Including Pledged)

	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Percentage Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Percentage Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale							
i. FBLB capital stock							
j. On deposit with states	306,764	302,852	3,912		306,764	2.039%	2.055%
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$306,764	\$302,852	\$3,912		\$306,764	2.039%	2.055%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – None

(3) Detail of Other Restricted Assets – None

M. Working Capital Finance Investments – None

Notes to Financial Statements

- N. Offsetting and Netting of Assets and Liabilities – None
- O. Structured Notes – None
- P. * Securities – None
- Q. Short Sales - None
- R. Prepayment Penalty and Acceleration Fees - None

6. Joint Ventures, Partnerships and Limited Liability Companies

In the fourth quarter of 2016, ASSI invested \$50,000 for a 49% member ownership of Access Medical Clinic Arkansas, LLC. ASSI contributed an additional \$610,000 in 2017 and \$1,042,000 in 2018. The principal purpose of the LLC is to develop and manage medical clinics, primarily in rural areas of Arkansas.

The Company accounts for the investment under the equity method. The admitted carrying value at December 31, 2018 is reported at \$950,866, which is 49% of the LLC's equity at December 31, 2018 adjusted to account for differences in statutory accounting practices and GAAP.

7. Investment Income

- A. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.
- B. The Company had no investment income due and accrued excluded from surplus.

8. Derivative Instruments

None

9. Income Taxes

- A. 1.

	Description	12/31/2018			12/31/2017			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	3,877,088		3,877,088	2,952,550	70,401	3,022,951	924,538	(70,401)	854,137
b.	Statutory Valuation Allowance Adjustments	3,838,343		3,838,343	2,952,550	70,401	3,022,951	(885,793)	70,401	(815,392)
c.	Adjusted Gross Deferred Tax Assets (1a – 1b)	38,745		38,745				38,745		38,745
d.	Deferred Tax Assets Non-admitted									
e.	Subtotal Net Admitted Deferred Tax Asset (1c – 1d)							38,745		38,745
f.	Deferred Tax Liabilities	5,351	33,394	38,745				(5,351)	(33,394)	(38,745)
g.	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	33,394	33,394					33,394	(33,394)	

- 2.

	Description	12/31/2018			12/31/2017			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									
B	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2a Above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 below)									
b1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date									
b2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	494,064	XXX	XXX	311,367	XXX	XXX	182,697
c.	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2a and 2b Above) Offset by Gross Deferred Tax Liabilities									
d.	Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b – 2c)	33,394	(33,394)					33,394	(33,394)	

- 3.

	Description	2018	2017
a.	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	247%	247%
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	5,012,159	3,113,667

- 4.

Notes to Financial Statements

Description	12/31/2018		12/31/2017		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col 1-3) Ordinary	6 (Col.2+4) Capital
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						
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	38,745			38,745	
2.	% Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.00%			0.00%	0.00%
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	38,745			38,745	
4.	% Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.00%			-780.00%	0.00%

b. Does the Company's tax-planning strategies include the use of reinsurance?: No

B. Regarding deferred tax liabilities that are not recognized - None

C. Current income taxes incurred consist of the following major components:

	Description	1	2	3
		12/31/2018	12/31/2017	(Col. 1 - 2) Change
1.	Current Income Tax			
a.	Federal			
b.	Foreign			
c.	Subtotal			
d.	Federal income tax on net capital gains			
e.	Utilization of capital loss carry-forwards			
f.	Other			
g.	Federal and foreign income taxes incurred			
2.	Deferred Tax Assets:			
a.	Ordinary			
1.	Discounting of unpaid losses	29,384	5,425	23,959
2.	Unearned premium reserve			
3.	Policyholder reserves			
4.	Investments			
5.	Deferred acquisition costs			
6.	Policyholder dividends accrual			
7.	Fixed assets		1,106	(1,106)
8.	Compensation and benefits accrual			
9.	Pension accrual			
10.	Receivables – nonadmitted	24,506	26,699	(2,193)
11.	Net operating loss carry-forward	3,821,901	2,559,368	1,262,533
12.	Tax credit carry-forward			
13.	Other (including items < 5% of total ordinary tax assets)	1,298	359,953	(358,655)
99.	Subtotal	3,877,088	2,952,550	924,538
b.	Statutory valuation allowance adjustment	(3,838,343)	(2,952,550)	(885,793)
c.	Nonadmitted			
d.	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	38,745		38,745
e.	Capital:			
1.	Investments		70,401	(70,401)
2.	Net capital loss carry-forward			
3.	Real estate			
4.	Other (including items < 5% of total capital tax assets)			
99.	Subtotal		70,401	(70,401)
f.	Statutory valuation allowance adjustment		(70,401)	70,401
g.	Nonadmitted			
h.	Admitted capital deferred tax assets (2e99 – 2f – 2g)			
i.	Admitted deferred tax assets (2d + 2h)	38,745		38,745
3.	Deferred Tax Liabilities:			
a.	Ordinary			
1.	Investments			
2.	Fixed assets			
3.	Deferred and uncollected premium			
4.	Policyholder reserves			
5.	Other (including items < 5% of total ordinary tax liabilities)	(5,351)		(5,351)
99.	Subtotal	(5,351)		(5,351)
b.	Capital:			
1.	Investments	(33,394)		(33,394)
2.	Real estate			
3.	Other (including items < 5% of total capital tax liabilities)			
99.	Subtotal	(33,394)		(33,394)
c.	Deferred tax liabilities (3a99 + 3b99)	(38,745)		(38,745)
4.	Net deferred tax assets/liabilities (2i – 3c)			

D. Reconciliation of federal income tax rate to actual effective rate:

Notes to Financial Statements

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this are as follows:

Description	Amount	Tax Effect	Effective Tax Rate
Income Before Taxes	(4,235,329)	(889,419)	21.00%
Tax-Exempt Interest			
Dividends Received Deduction			
Proration			
Meals & Entertainment, Lobbying Expenses, Etc.	6,454	1,355	-0.03%
Statutory Valuation Allowance Adjustment	3,882,821	815,392	-19.25%
Deferred Taxes on Nonadmitted Assets	10,444	2,193	-0.05%
Change in Enacted Tax Rates			
Other, Including Prior Year True-Up		70,478	-1.66%
Total	0	0	0
Federal income taxes expense/(benefit)		0	0
Tax on capital gains/(losses)		0	0
Change in net deferred income tax		0	0
Total statutory income taxes		0	0

E. Other Disclosures:

- a. As of December 31, 2018, the Company had net operating loss carryforwards of \$18,199,529.
- b. There are no income taxes incurred in the current and prior years which would be available for recoupment in the event of future net losses.
- c. The Company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. Consolidated Federal Income Tax Return

The Company's federal income tax return is not consolidated with any other entity.

- G. Federal or Foreign Income Tax Loss Contingencies - The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date. The Company is no longer subject to Federal or state examination prior to 2015.

H. Repatriation Transition Tax (RTT) – N/A

I. Alternative Minimum Tax (AMT) Credit – N/A

J. Global Intangible Low-Taxed Income (GILTI) – N/A

- K. Tax Cuts and Jobs Act - On December 22, 2017, the United States enacted tax reform legislation through the Tax Cuts and Jobs Act (TCJA), which significantly changed the existing U.S. tax laws, including a reduction in the corporate tax rate from 35% to 21%, as well as other changes. As a result of enactment of the legislation, the Company incurred an additional one time surplus increase (decrease) during the 4th quarter of 2018, primarily related to the remeasurement of certain deferred tax assets and liabilities. The surplus increase / (decrease) as a result of tax reform was \$(2,015,301) and \$0 as of December 31, 2017 and December 31, 2018, respectively.

The TCJA provided for a change in the methodology employed to calculate reserves for tax purposes. Beginning January 1, 2018, a higher interest rate assumption and longer payout patterns are used to discount these reserves. In addition, companies are no longer able to elect to use their own experience to discount reserves, but instead are required to use the industry-based tables published by the IRS annually. During 2017, the Company could not reasonably estimate the provisional tax impacts related to the change in methodology. During 2018, the IRS published the discount factor tables and the Company calculated the tax impact of the methodology change and recorded an additional deferred tax asset and offsetting deferred tax liability of \$6,115 at December 31, 2018. The deferred tax liability was amortized into income in the amount of \$764 (tax effected) during 2018 per the 8-year inclusion described in the TCJA.

Notes to Financial Statements

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A, B, & C - The Company is 100% owned by Select Founders, LLC. During 2018, the Company received additional contributed surplus of \$6,283,493 from parent Select Founders, LLC.

- D. Amounts Due from or to Related Parties – \$2,250,000 is due from parent at December 31, 2018 characterized as receivable under SSAP 72.
- E. Guarantees – As disclosed in Note 14A, for its investment in Access Medical Clinic Arkansas, LLC, the Company has agreed to contribute additional capital of \$100,000 to the LLC for each new clinic opened by the LLC. Also, in the event it is determined that additional capital is necessary for other reasons, the Company may contribute their proportionate share, but is not required to do so. The Company's share of ownership may increase or decrease over time based on proportionate share of contributions made by all member owners.
- F. For 2018, case management services were performed by Access Health Services. During 2018, ASSI paid Access Health Services \$748,815 for case management.
- G. The Company is a wholly-owned subsidiary of Select Founders, LLC.
- H. Ownership in any upstream intermediate entities or ultimate parent companies owned – None
- I. The Company owns 49% of Access Medical Clinic Arkansas, LLC. See Note 6.
- J. Investment in impaired SCA entities - None
- K. Investment in foreign insurance subsidiaries - None
- L. Investments in downstream noninsurance holding companies – None
- M. Investment in all SCA entities - None
- N. Investment in insurance SCA entities – None

11. Debt

- A. Debt - None
- B. FHLB (Federal Home Loan Bank) Agreements - None

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

- A. – D. Defined Benefit Plan – None
- E. Defined Contribution Plan - None
- F. Multiemployer Plans - None
- G. Consolidated/Holding Company Plans - None
- H. Post-Employment Benefits and Compensated Absences - None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - None

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 500,000 shares authorized, 300,000 shares issued and outstanding.
- (2) The Company has no preferred stock issued or outstanding.
- (3) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Arkansas. These limitations are the greater of ten percent of capital or surplus as of the December 31 preceding year or the net income not including realized capital gains for the twelve month period ending on the preceding December 31.
- (4) The Company does not issue dividends.
- (5) There were no restrictions placed on the Company's surplus.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being paid.

Notes to Financial Statements

- (7) The Company has no advances to surplus not repaid.
- (8) The Company has no stock held for special purposes.
- (9) There were no changes to the balances of any special surplus funds from the prior year.
- (10) Portion of unassigned funds represented or reduced by unrealized gains or losses is \$0.
- (11) The Company did not issue any surplus debentures or similar obligations.
- (12), (13) There has been no quasi-reorganizations.

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments – As disclosed in Note 10E, the Company has an agreement with Access Medical Clinic Arkansas, LLC to contribute additional capital of \$100,000 to the LLC for each new clinic opened. If additional capital is necessary for other reasons, the Company may or may not contribute their proportionate share, but their ownership share may change based on additional contributions relative to those made by all member owners.

(2)

Nature and circumstances of guarantee and key attributes, including date and duration of agreement.	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required.	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted.
Agreement to contribute additional capital to LLC for each new clinic they open	\$0	Unknown. As of September 2018, the LLC estimates all further capital needs can be met by earnings.	As of September 2018, the LLC estimates all further capital needs can be met by earnings.	LLC is currently operating clinics already opened. Additional clinic openings will be covered by the earnings of the LLC.
Total	\$0			

- B. Assessments – None
- C. Gain Contingencies – None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits – None
- E. Joint and Several Liabilities – None
- F. All Other Contingencies – None

15. Leases

- A. Lessee Operating Lease

(1) None

(2) Leases having remaining non-cancellable lease terms in excess of one year:

- a. At December 31, 2018, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2019	\$16,280
2.	2020	\$16,280
	TOTAL	\$32,560

- b. The Company has no subleases.

(3) The Company is not involved in any sales-leaseback transactions.

Notes to Financial Statements

B. Lessor Leases - None

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables reported as Sales – None

B. Transfer and Servicing of Financial Assets

C. Wash Sales – None

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

A. ASO Plans - None

B. ASC Plans- None

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

(1) Reimbursements from the Centers for Medicare and Medicaid Services (CMS) for the Company's participation in the Medicare Part D program for the period ended December 31, 2018 were \$8,167,896 This amount represents pharmacy benefit cost reimbursements for the Reinsurance Subsidy and the Low-Income Cost Sharing Subsidy elements of the Medicare Part D program.

(2) As of December 31, 2018 the Company had recorded receivables from the following payor whose account balances are greater than 10% of the Company's amounts receivable from uninsured accident and health plans or \$10,000:

None

(3) In connection with the Company's Medicare Part D cost based reimbursement portion of the contract, the Company has recorded allowances and reserves for adjustment of recorded revenues in the amount of \$0 at December 31, 2018.

(4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

None

20. Fair Value Measurements

A. The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The hierarchy gives the highest priority to fair values determined using unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to fair values determined using unobservable inputs (Level 3). An asset's or liability's classification is determined based on the lowest level input that is significant to its measurement.

For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level3). The levels of the fair value hierarchy are as follows:

Level 1: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2: Inputs are other than quoted prices included in level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Fair value of actively traded fixed-income and equity securities is based on quoted market prices. Fair value of inactively traded fixed-income securities is based on quoted market prices of identical or similar securities based on observable inputs like interest rates using a market valuation approach is generally classified as Level 2. Investments measured based on the practical expedient being net asset value (NAV), based on the NAV of the fund as provided for in the audited financial statements and other fund reporting, are generally classified as Level 3.

(1) Fair Value Measurements at Reporting Date - None

Notes to Financial Statements

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - None

(3) The Company does not have any securities where transfers between fair value levels have been recognized.

(4) Fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy - None

(5) Derivative assets and liabilities- None

B. Fair Value Information under SSAP No. 100 combined with Fair Value information Under Other Account Pronouncements – None

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash Equivalents	\$306,764	\$306,764	\$306,764			
Other Invested Assets	\$1,064,198	\$950,886			\$950,886	

D. Not Practicable to Estimate Fair Value - None

21. Other Items

A. Unusual or Infrequent Items – None

B. Troubled Debt Restructuring – None

C. Other Disclosures – None

D. Business Interruption Insurance Recoveries - None

E. State Transferable and Non-transferable Tax Credits - None

F. Subprime-Mortgage Related Risk Exposure – None

G. Retained Assets – None

H. Insurance Linked Securities - None

22. Subsequent Events

Type I. – Recognized Subsequent Events

None

Type II. – Nonrecognized Subsequent Events

None.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

Notes to Financial Statements

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (x)

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (x)

Section 3 – Ceded Reinsurance Report – Part B

(1) The estimated amount of the aggregate reduction in surplus, of termination of all reinsurance agreements, by either party, as of the date of this statement is zero.

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

F. Certified Reinsurer Downgraded or Status Subject to Revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. – D. None

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

(1) Did the reporting entity write accident and health insurance premiums that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? NO

(2) None

(3) None

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2017 were \$3,478,307. As of December 31, 2018, \$3,745,899 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0 as a result of re-estimation of unpaid claims and claim adjustment expenses.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

A. The Company has pharmaceutical rebates receivable of \$80,109 at December 31, 2017.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2018	373,307	373,307			
9/30/2018	282,358	282,358	282,358		
6/30/2018	237,707	237,707	237,707		
3/31/2018	118,242	118,242	118,242		
12/31/2017	80,109	80,109	80,109		
9/30/2017	35,299	35,299	35,299		
6/30/2017	29,132	29,132	29,132		
3/31/2017	28,228	28,228	28,228		
12/31/2016	16,723	16,723	16,723		

Notes to Financial Statements

9/30/2016	10,010	10,010	10,010		
6/30/2016	12,273	12,273	12,273		
3/31/2016	21,744	21,744	21,744		
12/31/2015	49,000	56,480	5,945	15,205	35,330
9/30/2015	42,942	42,942		27,884	15,058
6/30/2015	14,679	14,679	5,920	639	8,120
3/31/2015	3,528	3,528	1,212	2,011	306

B. Risk Sharing Receivables - None

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Arkansas
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[] No[X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 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 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2015.....
- 3.2 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.....
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).10/29/2016.....
- 3.4 By what department or departments?
Arkansas Insurance Department
- 3.5 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]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC. Yes[] No[X]
- 5.2 If yes, provide the name of the 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
.....

- 6.1 Has the 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]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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
.....	No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Milliman, 1301 Fifth Street, Suite 300, Seattle, WA 98101

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value \$ 0
 12.2 If yes, provide explanation \$ 0
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [] N/A [X]
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 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.
 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers \$ 0
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 2,250,000

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
 24.02 If no, give full and complete information, relating thereto
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

GENERAL INTERROGATORIES (Continued)

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$ 0
24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$ 0
24.103 Total payable for securities lending reported on the liability page.	\$ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements	\$ 0
25.22 Subject to reverse repurchase agreements	\$ 0
25.23 Subject to dollar repurchase agreements	\$ 0
25.24 Subject to reverse dollar repurchase agreements	\$ 0
25.25 Placed under option agreements	\$ 0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ 0
25.27 FHLB Capital Stock	\$ 0
25.28 On deposit with states	\$ 306,764
25.29 On deposit with other regulatory bodies	\$ 0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ 0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ 0
25.32 Other	\$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
 If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

28. 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 I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[] No[X]

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

1 Name of Custodian(s)	2 Custodian's Address

28.02 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)
Arvest Asset Management	Arkansas	Cash and Statutory Deposit

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[] No[X]
 28.04 If yes, give full and complete information relating thereto:

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

28.05 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

28.0597 For those firms/individuals listed in the table for Question 28.05, 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[X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes[] No[X]

28.06 For those firms or individuals listed in the table for 28.05 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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[] No[X]

29.2 If yes, complete the following schedule:

GENERAL INTERROGATORIES (Continued)

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds
30.2 Preferred stocks
30.3 Totals

30.4 Describe the sources or methods utilized in determining the fair values:

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[]
 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[] N/A[]
 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes[X] No[]
 32.2 If no, list exceptions:

33. By self-designation 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

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

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

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

OTHER

- 35.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 50,000
 35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Arkansas Health Care Association	50,000

- 36.1 Amount of payments for legal expenses, if any? \$..... 0
 36.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....

- 37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$..... 0
 37.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only: \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
 - 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies - Most current three years:
 - 1.61 TOTAL Premium earned \$ 0
 - 1.62 TOTAL Incurred claims \$ 0
 - 1.63 Number of covered lives 0
 - All years prior to most current three years:
 - 1.64 TOTAL Premium earned \$ 0
 - 1.65 TOTAL Incurred claims \$ 0
 - 1.66 Number of covered lives 0
- 1.7 Group policies - Most current three years:
 - 1.71 TOTAL Premium earned \$ 0
 - 1.72 TOTAL Incurred claims \$ 0
 - 1.73 Number of covered lives 0
 - All years prior to most current three years:
 - 1.74 TOTAL Premium earned \$ 0
 - 1.75 TOTAL Incurred claims \$ 0
 - 1.76 Number of covered lives 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	27,863,836	11,535,752
2.2 Premium Denominator	27,863,836	11,535,752
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	8,950,997	5,211,499
2.5 Reserve Denominator	8,950,997	5,192,368
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.004

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [] N/A[X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No[X]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
 - 5.31 Comprehensive Medical \$ 300,000
 - 5.32 Medical Only \$ 0
 - 5.33 Medicare Supplement \$ 0
 - 5.34 Dental & Vision \$ 0
 - 5.35 Other Limited Benefit Plan \$ 0
 - 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
 - 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [] No[X]
 - 7.2 If no, give details:
 - 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year 3,669
 - 8.2 Number of providers at end of reporting year 2,611
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No[X]
- 9.2 If yes, direct premium earned:
 - 9.21 Business with rate guarantees between 15-36 months 0
 - 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [] No[X]
- 10.2 If yes:
 - 10.21 Maximum amount payable bonuses \$ 0
 - 10.22 Amount actually paid for year bonuses \$ 0
 - 10.23 Maximum amount payable withholds \$ 0
 - 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
 - 11.12 A Medical Group/Staff Model, Yes [] No[X]
 - 11.13 An Individual Practice Association (IPA), or, Yes [] No[X]
 - 11.14 A Mixed Model (combination of above)? Yes [] No[X]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes[X] No []
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. Arkansas
- 11.4 If yes, show the amount required. \$ 4,826,997
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No[X]
- 11.6 If the amount is calculated, show the calculation.

1
Name of Service Area

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No[X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No[X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ 0
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers? Yes [] No [] N/A[X]
- 14.2 If the answer to 14.1 is yes, please provide the following:

GENERAL INTERROGATORIES (Continued)

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)

15.1 Direct Premium Written	\$	0
15.2 Total incurred claims	\$	0
15.2 Number of covered lives	0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes[] No[X]

16.1 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[] No[X]

FIVE-YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	14,927,170	8,690,850	4,636,138	3,628,324	2,420,173
2. TOTAL Liabilities (Page 3, Line 24)	9,915,011	5,577,183	3,375,387	2,624,651	5,011
3. Statutory minimum capital and surplus requirement	4,826,997	2,222,550	1,041,357	750,000	300,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	5,012,159	3,113,667	1,260,751	1,003,672	2,415,162
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	27,863,836	11,638,128	5,078,550	1,683,764	
6. TOTAL Medical and Hospital Expenses (Line 18)	26,261,270	11,331,189	5,096,651	1,974,936	
7. Claims adjustment expenses (Line 20)	1,651,703	1,250,084	814,126	366,852	
8. TOTAL Administrative Expenses (Line 21)	5,918,074	3,202,792	2,641,601	2,102,392	1,155,840
9. Net underwriting gain (loss) (Line 24)	(4,253,150)	(4,487,773)	(3,513,596)	(4,092,873)	(1,155,840)
10. Net investment gain (loss) (Line 27)	77,136	1,334	(3,577)	(3,136)	(2,868)
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	(4,176,014)	(4,486,439)	(3,517,173)	(4,096,009)	(1,158,708)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(1,774,471)	(2,070,942)	(2,915,044)	(1,712,953)	(1,215,822)
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	5,012,159	3,113,667	1,260,751	1,003,672	2,415,162
15. Authorized control level risk-based capital	1,610,789	740,850	347,119	389,362	5,225
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	2,910	885	476	208	
17. TOTAL Members Months (Column 6, Line 7)	24,679	7,519	3,483	1,181	
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	94.2	98.2	100.9	126.1	
20. Cost containment expenses	5.1	7.6	12.8	18.3	
21. Other claims adjustment expenses	0.8	3.2	3.3	5.1	
22. TOTAL Underwriting Deductions (Line 23)	115.3	139.8	170.0	368.7	
23. TOTAL Underwriting Gain (Loss) (Line 24)	(15.3)	(38.9)	(69.5)	(261.2)	
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	3,746,014	1,594,467	578,201		
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	3,398,198	1,738,396	930,689		
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

State, Etc.	1 Active Status (a)	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	L	181,929	27,797,202				27,979,131		
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	181,929	27,797,202				27,979,131		
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	X X X	181,929	27,797,202				27,979,131		
DETAILS OF WRITE-INS									
58001	X X X								
58002	X X X								
58003	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(a) Active Status Counts:

- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state
- N - None of the above - Not allowed to write business in the state

1

R - Registered - Non-domiciled RRGs

Q - Qualified - Qualified or accredited reinsurer

56

Explanation of basis of allocation by state, premiums by state, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

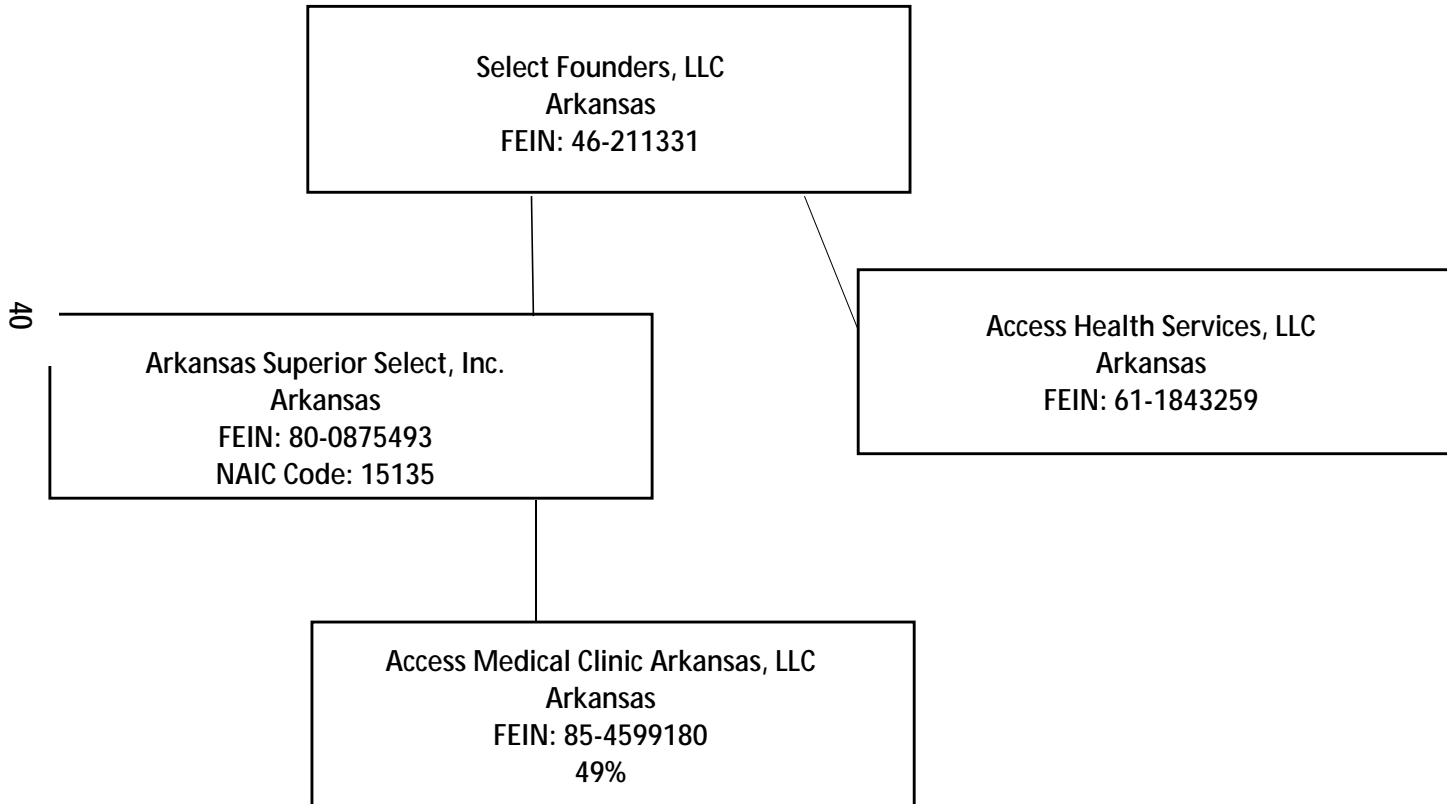
MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



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