



QUARTERLY STATEMENT
AS OF MARCH 31, 2016
OF THE CONDITION AND AFFAIRS OF THE
QualChoice Life and Health Insurance Company, Inc.

NAIC Group Code 4807 , 4807 NAIC Company Code 70998 Employer's ID Number 71-0386640
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[] Property/Casualty[Hospital, Medical & Dental Service or Indemnity[]
Dental Service Corporation[Vision Service Corporation[Health Maintenance Organization[]
Other[Is HMO Federally Qualified? Yes[No[] N/A[]

Incorporated/Organized 10/17/1992 Commenced Business 04/25/1965

Statutory Home Office 12615 Chenal Parkway, Suite 300 , Little Rock, AR, 72211
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 12615 Chenal Parkway, Suite 300
(Street and Number)

Little Rock, AR, 72211
(City or Town, State, Country and Zip Code)

Mail Address 12615 Chenal Parkway, Suite 300 , Little Rock, AR, 72211
(Street and Number or P.O. Box) (Area Code) (Telephone Number)

Primary Location of Books and Records 12615 Chenal Parkway, Suite 300
(Street and Number)

Little Rock, AR, 72211 (501)228-7111
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.qualchoice.com

Statutory Statement Contact Randall Crow (501)219-5109
(Name) (Area Code)(Telephone Number)(Extension)
randall.crow@qualchoice.com (501)228-0135
(E-Mail Address) (Fax Number)

OFFICERS

<u>Name</u>	<u>Title</u>
Michael Edward Stock	President
Randall Alvin Crow	Treasurer
Charles Hanson	Secretary

OTHERS

Joni Self Daniels, Vice President - Operations
Betty Jo Tatum-Himes, Vice President - Sales & Marketing
Stephen Sorsby M.D., Vice President - Medical Affairs

DIRECTORS OR TRUSTEES

Mark Fred Bjornson	Steven Charles Schramm
Philip Linwood Foster	Charles Hanson

State of Arkansas
County of Pulaski ss

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

<u>Michael Edward Stock</u> <small>(Signature)</small>	<u>Randall Alvin Crow</u> <small>(Signature)</small>	<u>Charles Hanson</u> <small>(Signature)</small>
<u>1.</u> <small>(Printed Name)</small>	<u>2.</u> <small>(Printed Name)</small>	<u>3.</u> <small>(Printed Name)</small>
<u>President</u> <small>(Title)</small>	<u>Treasurer</u> <small>(Title)</small>	<u>Secretary</u> <small>(Title)</small>

Subscribed and sworn to before me this _____ day of _____, 2016

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

Yes[] No[]

(Notary Public Signature)

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	21,513,210		21,513,210	21,515,400
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....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 (\$.....10,633,793), cash equivalents (\$.....0) and short-term investments (\$.....0)	10,633,793		10,633,793	14,513,047
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	32,147,003		32,147,003	36,028,447
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	54,282		54,282	42,996
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	26,355		26,355	25,952
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	6,375,022		6,375,022	6,817,472
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				
18.1 Current federal and foreign income tax recoverable and interest thereon	257,119		257,119	
18.2 Net deferred tax asset				257,119
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 adjustments in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				40,744
24. Health care (\$.....0) and other amounts receivable	231,423	44,638	186,785	77,554
25. Aggregate write-ins for other-than-invested assets	4,510,107	946,137	3,563,970	1,440,817
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	43,601,311	990,775	42,610,536	44,731,101
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	43,601,311	990,775	42,610,536	44,731,101
DETAILS OF WRITE-INS				
1101. Rounding				
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. Insurance Charter	75,000	75,000		
2502. Cost Sharing Reduction Rec	3,563,970		3,563,970	1,440,817
2503. Prepaid Expenses	871,137	871,137		
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	4,510,107	946,137	3,563,970	1,440,817

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	19,727,144	909,216	20,636,360	18,037,745
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	552,739		552,739	412,332
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	466,037		466,037	639,588
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	2,107,120		2,107,120	691,909
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable	66,578		66,578	65,435
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	168,492		168,492	11,843
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)	2,256,638		2,256,638	3,524,499
24. Total liabilities (Lines 1 to 23)	25,344,748	909,216	26,253,964	23,383,351
25. Aggregate write-ins for special surplus funds	X X X	X X X		1,034,530
26. Common capital stock	X X X	X X X	1,013,750	1,013,750
27. Preferred capital stock	X X X	X X X	1,500,000	1,500,000
28. Gross paid in and contributed surplus	X X X	X X X	20,537,206	20,537,206
29. Surplus notes	X X X	X X X	5,000,000	5,000,000
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	(11,694,384)	(7,737,736)
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	16,356,572	21,347,750
34. Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	42,610,536	44,731,101
DETAILS OF WRITE-INS				
2301. ACA Risk Sharing	2,256,638		2,256,638	3,524,500
2302. 0				
2303. Rounding				(1)
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,256,638		2,256,638	3,524,499
2501. ACA Section 9010 Assessment	X X X	X X X		1,034,530
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		1,034,530
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 To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	82,368	18,876	192,264
2. Net premium income (including \$.....0 non-health premium income)	X X X	26,510,944	5,990,821	61,859,665
3. Change in unearned premium reserves and reserves 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	6,300	5,517	20,289
8. Total revenues (Lines 2 to 7)	X X X	26,517,244	5,996,338	61,879,954
Hospital and Medical:				
9. Hospital/medical benefits	249,926	21,545,348	2,985,026	48,327,452
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area	38,672	3,333,807	197,304	7,477,920
13. Prescription drugs		4,494,067	537,523	8,098,282
14. Aggregate write-ins for other hospital and medical				
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)	288,598	29,373,222	3,719,853	63,903,654
Less:				
17. Net reinsurance recoveries		1,284,685	36,474	6,843,165
18. Total hospital and medical (Lines 16 minus 17)	288,598	28,088,537	3,683,379	57,060,489
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$.....995,500 cost containment expenses		1,485,603	228,366	1,485,602
21. General administrative expenses		3,393,988	816,787	8,029,818
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		(124,998)		500,000
23. Total underwriting deductions (Lines 18 through 22)	288,598	32,843,130	4,728,532	67,075,909
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(6,325,886)	1,267,806	(5,195,955)
25. Net investment income earned		49,663	1,759	62,412
26. Net realized capital gains (losses) less capital gains tax of \$.....0				
27. Net investment gains or (losses) (Lines 25 plus 26)		49,663	1,759	62,412
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	(6,276,223)	1,269,565	(5,133,543)
31. Federal and foreign income taxes incurred	X X X		439,122	
32. Net income (loss) (Lines 30 minus 31)	X X X	(6,276,223)	830,443	(5,133,543)
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. Commission on Life Product	X X X	6,300	5,517	20,289
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X	6,300	5,517	20,289
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. Rounding				
2902. 0				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	21,347,750	6,282,394	6,282,394
34. Net income or (loss) from Line 32	(6,276,223)	830,443	(5,133,543)
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			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	2,127,999	103,178	26,343
39. Change in nonadmitted assets	(842,953)	(20,019)	172,557
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			910,000
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			19,090,000
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	(1)		(1)
48. Net change in capital and surplus (Lines 34 to 47)	(4,991,178)	913,602	15,065,356
49. Capital and surplus end of reporting period (Line 33 plus 48)	16,356,572	7,195,996	21,347,750
DETAILS OF WRITE-INS			
4701. rounding	(1)		(1)
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)	(1)		(1)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	26,339,454	5,984,160	62,483,170
2. Net investment income	49,482	1,822	53,142
3. Miscellaneous income	(76,068)	14,704	(108,780)
4. TOTAL (Lines 1 to 3)	26,312,868	6,000,686	62,427,532
5. Benefit and loss related payments	24,922,474	1,378,087	47,311,417
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	3,323,973	106,282	8,421,900
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	(2,127,999)	(103,178)	
10. TOTAL (Lines 5 through 9)	26,118,448	1,381,191	55,733,317
11. Net cash from operations (Line 4 minus Line 10)	194,420	4,619,495	6,694,215
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	3,000,000		5,096,000
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			
12.7 Miscellaneous proceeds			
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	3,000,000		5,096,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds	3,008,917		26,544,130
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	3,008,917		26,544,130
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(8,917)		(21,448,130)
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			20,000,000
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)	(4,064,757)	(81,364)	1,990,425
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(4,064,757)	(81,364)	21,990,425
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)	(3,879,254)	4,538,131	7,236,510
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	14,513,047	7,276,537	7,276,537
19.2 End of period (Line 18 plus Line 19.1)	10,633,793	11,814,668	14,513,047

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

20.0001				
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	23,168	18,335	3,090	1,743						
2. First Quarter	29,905	24,856	2,893	2,156						
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	82,368	67,774	8,320	6,274						
Total Member Ambulatory Encounters for Period:										
7. Physician	61,293	47,267	5,573	8,453						
8. Non-Physician	34,809	23,682	7,406	3,721						
9. Total	96,102	70,949	12,979	12,174						
10. Hospital Patient Days Incurred	5,521	4,825	210	486						
11. Number of Inpatient Admissions	1,295	1,130	57	108						
12. Health Premiums Written (a)	26,322,902	22,870,810	2,563,498	888,594						
13. Life Premiums Direct	188,042		188,042							
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	26,322,902	22,870,810	2,563,498	888,594						
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	25,572,291	22,174,069	2,485,403	912,819						
18. Amount Incurred for Provision of Health Care Services	29,373,222	25,521,099	2,860,558	991,565						

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

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered	455,685	127,685	111,979	75,109	138,758	909,216
0399999 Aggregate Accounts Not Individually Listed - Covered	9,037,747	2,532,421	2,220,917	1,489,665	2,752,041	18,032,791
0499999 Subtotals	9,493,432	2,660,106	2,332,896	1,564,774	2,890,799	18,942,007
0599999 Unreported claims and other claim reserves						1,694,353
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						20,636,360
0899999 Accrued Medical Incentive Pool And Bonus Amounts						

UNDERWRITING AND INVESTMENT EXHIBIT**ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	8,634,753	16,024,718	4,320,005	15,762,735	12,954,758	17,591,895
2. Medicare Supplement	353,503	559,316	119,089	434,531	472,592	445,850
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	8,988,256	16,584,034	4,439,094	16,197,266	13,427,350	18,037,745
10. Healthcare receivables (a)			231,423		231,423	149,055
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9 - 10 + 11 + 12)	8,988,256	16,584,034	4,207,671	16,197,266	13,195,927	17,888,690

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

Notes to Financial Statement

QUALCHOICE LIFE AND HEALTH INSURANCE COMPANY, INC.

Notes to Financial Statements - Statutory Basis

(1) Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements. Such policies are in conformity with the Annual Statement Instructions and the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners (“NAIC”) and the accounting practices as prescribed or permitted by the Arkansas Insurance Department and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents and Short Term Investments: The Company considers all cash accounts and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Certificates of deposit with a maturity of more than four months but less than one year are considered short term investments and are stated at cost.

Premiums Receivable: The Company uses the allowance method of accounting for uncollectible receivables. Premiums receivable represent medical premium revenue that has been billed and recognized as revenue, but has not been collected.

Investment Securities: Bonds and other debt instruments for which the Company intends to resell in the near future are classified as trading and are stated at cost adjusted for amortization of premiums and accretion of discounts computed by the interest method. Stocks and bond funds which have no set maturity date are classified as available for sale and are stated at fair market value.

Medical Claims Payable: Reported claims expected to be paid after the balance sheet date for services provided to members prior to the balance sheet date are recorded as liabilities. Claims for services provided to members during the financial reporting period which are unreported at the balance sheet date are estimated based on the Company’s claims experience and recorded as liabilities. The amounts recorded are based upon estimates of the ultimate net cost of such services provided. These reserves are subject to continuous review by management and changes in estimates are reflected in earnings currently.

Income Taxes: Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due.

Revenue: Medical premium revenue is recognized in the month in which members are entitled to receive health care services. Medical premiums collected in advance are recorded as unearned premium revenue.

Cost of Benefits Provided: Cost of benefits provided includes the costs of all medical services delivered to enrolled members of the Company and for whom the Company has recorded medical premium revenue during the reporting period. These costs include payments for specific medical services paid to physicians, hospitals, and other health care providers on a fee-for-service basis. Costs of benefits include claims paid, claims in process and pending, estimates of unreported claims and charges, and processing costs of those estimates at the end of the fiscal year for which the Company will be responsible. There are certain provider contracts within the network that contain various risk sharing arrangements, in which the unallocated withhold amounts for members who have not designated a primary care physician are returned to the Company as part of the settlement and administration of such risk sharing arrangements and accordingly are recorded as a reduction of cost of benefits provided.

Premium Tax: The state in which the Company does business requires the remittance of premium taxes based upon a percentage of billed premiums.

Notes to Financial Statement

Advertising Costs: Advertising and promotions related expenses are charged to operations when incurred.

Non-Admitted Assets: Certain assets (principally pharmaceutical rebate receivables and deferred tax assets not expected to be realized within a 12 month period) designated as "non-admitted" are not included in the financial statements.

Accounting Estimates: The preparation of financial statements in conformity with the accounting practices described above requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

(2) Accounting Changes and Corrections of Errors

None.

(3) Business Combinations and Goodwill

None.

(4) Discontinued Operations

None.

Notes to Financial Statement

(5) **Investments**

No significant changes.

(6) **Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes.

(7) **Investment Income**

The Company's investment income was earned on cash and cash equivalents, bonds, and stocks. Unrealized losses and gains are recorded on page 5.

(8) **Derivative Instruments**

None.

(9) **Income Taxes**

During the month of February, net premium taxes due for the year of 2015 were remitted to the State Treasurer of Arkansas.

(10) **Information Concerning Parent, Subsidiaries and Affiliates**

None.

(11) **Debt**

None.

(12) **Retirement Plans, Deferred Compensation and Other Postretirement Benefit and Compensated Absences and Other Postretirement Benefit Plans**

No significant changes.

(13) **Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

No significant changes.

(14) **Contingencies**

No significant changes.

(15) **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**

None.

(18) **Gain or Loss To The Reporting Entity From Uninsured A&H Plans and The Uninsured Portion of Partially Insured Plans**

No significant changes.

Notes to Financial Statement**(19) Direct Premium Written/Produced By Managing General Agents/Third Party Administrators**

None

(20) Fair Value Measurements

All investments are recorded at amortized cost, except for ETF's referenced in #5 above. ETF's are adjusted to market value on a monthly basis.

(21) Other Items

None

(22) Events Subsequent

None

(23) Reinsurance

No significant changes.

(24) Retrospectively Rated Contracts & Contracts Subject To Redetermination**J. Risk Sharing Provisions of the Affordable Care Act****1. Permanent Risk Adjustment Program**

Assets	Amount
a. Premium Adjustment Receivable	\$0
Liabilities	
b. Risk Adjustment User Fees Payable	\$0
c. Premium Adjustments Payable	\$2,256,638
Operations (Revenue & Expense)	
d. Premium for Accident and Health Contracts	\$2,256,638

2. Transitional Reinsurance Program

Assets	
a. Amounts recoverable for claims paid	\$5,490,385
b. Amounts recoverable for claims unpaid	\$0
c. Amounts receivable relating to uninsured plans	\$0
Liabilities	
d. Claims unpaid-ceded	\$0
e. Contributions payable-not reported as ceded	\$0
f. Ceded reinsurance premiums payable	\$66,578
g. Liability for amounts held under uninsured plans	\$0

Notes to Financial Statement

Operations (Revenue & Expense)

h. Ceded reinsurance premiums	\$0
i. Reinsurance recoveries	\$1,284,685
j. Contributions-not reported as ceded premiums	\$0

3. Temporary Risk Corridors Program

Assets

a. Accrued retrospective premium	\$0
----------------------------------	-----

Liabilities

b. Reserve for rate credits/policy exp rating refunds	\$0
---	-----

Operations (Revenue & Expense)

c. Net premium income (paid/received)	\$0
d. Change in reserves for rate credits	\$0

4. Have there been any material re-estimations and/or impairments for the reporting period? **NO**

(25) Change In Incurred Claims and Claim Adjustment Expenses

Reserves as of March 31, 2016 were \$20,636,360. As of March 31, 2016, \$8,988,256 has been paid for incurred claims and claim adjustment expenses attributable to insured events incurred prior of January 1, 2016. Reserves remaining for prior years are now \$4,207,671 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$4,841,818 favorable prior-year development since December 31, 2015 to March 31, 2016. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

(26) Intercompany Pooling Arrangements

None.

(27) Structured Settlements

None.

(28) Health Care Receivables

No significant changes.

(29) Participating Policies

None.

(30) Premium Deficiency Reserves

The Premium Deficiency Reserve has decreased 125,000 in the current quarter.

(31) Anticipated Salvage and Subrogation

None.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[] No[X]
 1.2 If yes, has the report been filed with the domiciliary state? Yes[] No[] N/A[X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
 If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[] No[X]
 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[] No[] N/A[X]
 If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014
 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014
 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
 6.4 By what department or departments?
 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[] No[] N/A[X]
 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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
.....	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
 9.2 Has the code of ethics for senior managers been amended? Yes[] No[X]
 9.21 If the response to 9.2 is Yes, provide information related to amendment(s). Yes[] No[X]
 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[] No[X]
 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
 13. Amount of real estate and mortgages held in short-term investments: \$ 0
 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[] No[X]

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds		
14.22 Preferred Stock		
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages Loans on Real Estate		
14.26 All Other		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)		
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes No
Yes No N/A

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

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

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes No

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

1 Name of Custodian(s)	2 Custodian Address
Arvest Asset Management	200 Commerce Dr. Ste. 100, Little Rock, AR
BNY Mellon	200 Park Avenue, New York, NY

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes No

17.4 If yes, give full and complete information relating thereto:

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

17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
Arvest Trust	Dennis Whitaker	200 Commerce Dr. Ste. 100, Little Rock, AR
BNY Mellon	Ben Bartelt	200 Park Avenue, New York, NY

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes No

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent 108.510%
1.2 A&H cost containment percent 3.730%
1.3 A&H expense percent excluding cost containment expenses 14.554%
2.1 Do you act as a custodian for health savings accounts?	Yes[] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$..... 0
2.3 Do you act as an administrator for health savings accounts?	Yes[] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$..... 0

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
Life and Annuity - Affiliates								
70939	13-2611847	01/01/2016	GERBER LIFE INS CO	NY	ASL/A/G	Authorized		
00000	AA-3770168	01/01/2016	FIRST INITIATIVES INS LTD	CYM	ASL/A/G	Unauthorized		
00000	AA-9990032	01/01/2016	US Dept of Hlth & Human Serv	DC	OTH/L/G	Authorized		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

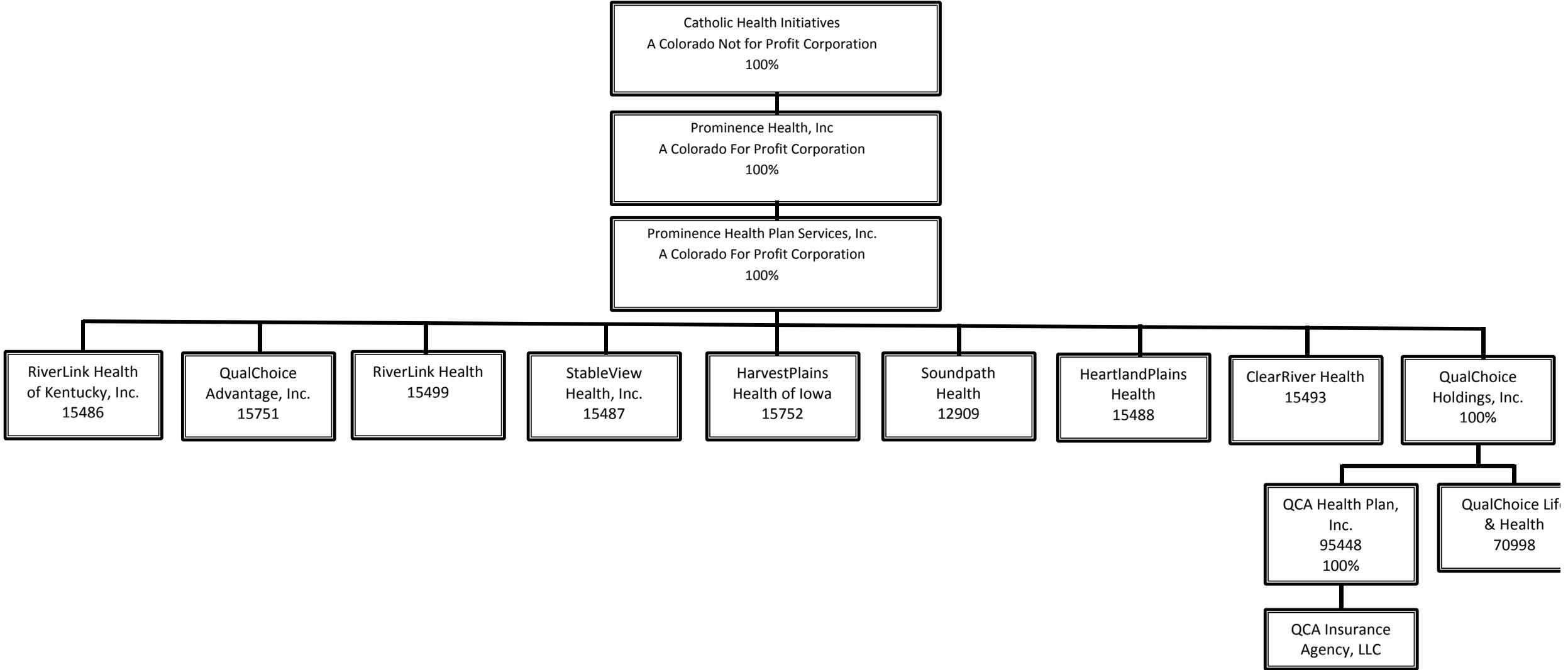
State, Etc.	1 Active Status	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	L	26,499,901				188,042		26,687,943	
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	26,499,901				188,042		26,687,943	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Total (Direct Business)	(a) 1	26,499,901				188,042		26,687,943	
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								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (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.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

Q15



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*
4807	Catholic Health Initiatives	70998	71-0386640				QualChoice Life and Health Insurance Company, Inc.	AR	RE	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	95448	71-0794605				QCA Health Plan, Inc.	AR	RE	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	12909	42-1720801				Soundpath Health, Inc.	WA	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15493	46-4495960				ClearRiver Health	TN	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15488	46-4368223				Heartland Plains Health	NE	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15499	46-4380824				Riverlink Health	OH	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15486	46-4828332				Riverlink Health of Kentucky, Inc.	KY	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15487	46-4373713				StableView Health	KY	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15751	47-3433912				QualChoice Advantage, Inc.	AR	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15752	47-3451750				Harvest Plains Health of Iowa	IA	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	

Asterisk	Explanation
0000001	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

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

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



70998201636500001

2016

Document Code: 365

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
4704.			
4705. 0			
4706. Misc Surplus Adjustment			
4797. Summary of remaining write-ins for Line 47 (Lines 4704 through 4796)			

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE**SCHEDULE B - VERIFICATION****Mortgage Loans**

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

NONE**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

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

NONE**SCHEDULE D - VERIFICATION****Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	21,515,400	100,912
2. Cost of bonds and stocks acquired	3,008,917	26,544,130
3. Accrual of discount	2,486	3,066
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of	3,000,000	5,096,000
7. Deduct amortization of premium	13,593	36,708
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	21,513,210	21,515,400
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	21,513,210	21,515,400

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	21,515,400	3,008,917	3,000,000	(11,105)	21,513,212			21,515,400
2. NAIC 2 (a)								
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	21,515,400	3,008,917	3,000,000	(11,105)	21,513,212			21,515,400
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	21,515,400	3,008,917	3,000,000	(11,105)	21,513,212			21,515,400

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

QS102

SI03 Schedule DA Part 1 NONE

SI03 Schedule DA Verification NONE

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SI08 Schedule E - Verification (Cash Equivalents) NONE

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
912828N22	US Treasury Note		01/07/2016	BNY Mellon	X X X	1,000,430	1,000,000	820	1FE
912828N63	US Treasury Note		02/02/2016	BNY Mellon	X X X	1,005,391	1,000,000	587	1FE
912828P53	US Treasury Note		03/03/2016	BNY Mellon	X X X	1,003,096	1,010,000	375	1FE
0599999	Subtotal - Bonds - U.S. Governments				X X X	3,008,917	3,010,000	1,782	X X X
8399997	Subtotal - Bonds - Part 3				X X X	3,008,917	3,010,000	1,782	X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	3,008,917	3,010,000	1,782	X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	3,008,917	X X X	1,782	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n Date	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
Bonds - U.S. Governments																						
912828F88	US Treasury Note		01/07/2016	BNY Mellon	X X X	998,055	1,000,000	999,180	999,510	490			490		1,000,000						10/31/2016	1FE
912828H29	US Treasury Note		02/02/2016	BNY Mellon	X X X	1,000,506	1,000,000	1,002,148	1,001,476	(1,581)			(1,581)		1,000,000						12/31/2016	1FE
912828H29	US Treasury Note		03/04/2016	BNY Mellon	X X X	1,000,708	1,000,000	1,002,148	1,001,476	(1,371)			(1,371)		1,000,000						12/31/2016	1FE
0599999	Subtotal - Bonds - U.S. Governments				X X X	2,999,269	3,000,000	3,003,476	3,002,462	(2,462)			(2,462)		3,000,000						X X X	X X X
8399997	Subtotal - Bonds - Part 4				X X X	2,999,269	3,000,000	3,003,476	3,002,462	(2,462)			(2,462)		3,000,000						X X X	X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	2,999,269	3,000,000	3,003,476	3,002,462	(2,462)			(2,462)		3,000,000						X X X	X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	2,999,269	3,000,000	3,003,476	3,002,462	(2,462)			(2,462)		3,000,000						X X X	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D Section 1 NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity NONE

E10 Schedule DL - Part 1 - Securities Lending Collateral Assets NONE

E11 Schedule DL - Part 2 - Securities Lending Collateral Assets NONE

SCHEDULE E - PART 1 - CASH**Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
open depositories									
Arvest Bank	P.O. Box 1583, Little Rock, AR 72203		0.001	8,557		1,365,039	1,208,155	932,637	X X X
Arvest Bank Trust	P.O. Box 1583, Little Rock, AR 72203		0.001	2,076		115,138	126,641	19,910	X X X
Bank of America	100 North Tryon Street, Charlotte, NC 28255					14,893,692	10,970,950	9,545,746	X X X
Bank of New York Mellon	200 Park Avenue, New York, NY 10017			47,554		667	667	135,500	X X X X X X
0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories		X X X	X X X						X X X
0199999 Totals - Open Depositories		X X X	X X X	58,187		16,374,536	12,306,413	10,633,793	X X X
0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories		X X X	X X X						X X X
0299999 Totals - Suspended Depositories		X X X	X X X						X X X
0399999 Total Cash On Deposit		X X X	X X X	58,187		16,374,536	12,306,413	10,633,793	X X X
0499999 Cash in Company's Office		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash		X X X	X X X	58,187		16,374,536	12,306,413	10,633,793	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
N O N E							
8699999 Total - Cash Equivalents							

INDEX TO HEALTH QUARTERLY STATEMENT

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11
Accounting Practices and Policies; Q5; Q10, Note 1
Admitted Assets; Q2
Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05
Bonuses; Q3; Q4; Q8; Q9
Borrowed Funds; Q3; Q6
Business Combinations and Goodwill; Q10, Note 3
Capital Gains (Losses)
 Realized; Q4
 Unrealized; Q4; Q5
Capital Stock; Q3; Q10, Note 13
Capital Notes; Q6; Q10, Note 11
Caps; QE06; QSI04
Cash; Q2; Q6; QE12
Cash Equivalents; Q2; Q6; QE13
Claims; Q3; Q4; Q8; Q9
Collars; QE06; QSI04
Commissions; Q6
Common Stock; Q2; Q3; Q6; Q11.1; Q11.2
Cost Containment Expenses; Q4
Contingencies; Q10, Note 14
Counterparty Exposure; Q10, Note 8; QE06; QE08
Debt; Q10, Note 11
Deferred Compensation; Q10, Note 12
Derivative Instruments; Q10, Note 8; QSI04; QSI05; QSI06; QSI07; QE06; QE07; QE08
Discontinued Operations; Q10, Note 4
Electronic Data Processing Equipment; Q2
Encumbrances; Q2; QSI01; QE01
Emergency Room; Q4
Expenses; Q3; Q4; Q6
Extinguishment of Liabilities; Q10, Note 17
Extraordinary Item; Q10, Note 21
Fair Value; Q7, Note 20
Fee for Service; Q4
Foreign Exchange; Q2; Q3; Q5; QSI01; QSI03; QE01; QE02; QE03; QE05
Forwards; QE06; QSI04
Furniture, Equipment and Supplies; Q2
Guaranty Fund; Q2
Health Care Receivables; Q2; Q9; Q10, Note 28
Holding Company; Q16
Hospital/Medical Benefits; Q4
Incentive Pools; Q3; Q4; Q8; Q9
Income; Q4; Q5; Q6
Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9
Incurred Claims and Claim Adjustment Expenses; Q10, Note 25
Intercompany Pooling; Q10, Note 26
Investment Income; Q10, Note 7
 Accrued; Q2
 Earned; Q2; QSI03
 Received; Q6
Investments; Q10, Note 5; Q11.1; Q11.2; QE08
Joint Venture; Q10, Note 6
Leases; Q10, Note 15
Limited Liability Company (LLC); Q10, Note 6
Limited Partnership; Q10, Note 6
Long-Term Invested Assets; Q2; QE03
Managing General Agents; Q10, Note 19
Medicare Part D Coverage; QSupp1
Member Months; Q4; Q7
Mortgage Loans; Q2; Q6; Q11.1; QSI01; QE02
Nonadmitted Assets; Q2; Q5; QSI01; QSI03
Off-Balance Sheet Risk; Q10, Note 16
Options; QE06; QSI04
Organizational Chart; Q11; Q14
Out-of-Area; Q4
Outside Referrals; Q4
Parent, Subsidiaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1
Participating Policies; Q10, Note 29
Pharmaceutical Rebates; Q10, Note 28
Policyholder Dividends; Q5; Q6
Postemployment Benefits; Q10, Note 12
Postretirement Benefits; Q10, Note 12
Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2

INDEX TO HEALTH QUARTERLY STATEMENT

Premium Deficiency Reserves; Q10, Note 30
Premiums and Considerations
 Advance; Q3
 Collected; Q6
 Deferred; Q2
 Direct; Q7; Q13
 Earned; Q7
 Retrospective; Q2
 Uncollected; Q2
 Unearned; Q4
 Written; Q4; Q7
Prescription Drugs; Q4
Quasi Reorganizations; Q10, Note 13
Real Estate; Q2; Q6; QE01; QSI01
Redetermination, Contracts Subject to; Q10, Note 24
Reinsurance; Q9; Q10, Note 23
 Ceded; Q3; Q12
 Funds Held; Q2
 Payable; Q3
 Premiums; Q3
 Receivable; Q2; Q4
 Unauthorized; Q3; Q5
Reserves
 Accident and Health; Q3; Q4
 Claim; Q3; Q5; Q8
 Life; Q3
Retirement Plans; Q10, Note 12
Retrospectively Rated Policies; Q10, Note 24
Risk Revenue; Q4
Salvage and Subrogation; Q10, Note 31
Securities Lending; Q2; Q3; QE09; QE11
Servicing of Financial Assets; Q10, Note 17
Short-Term Investments; Q2; Q6; Q11.1; QSI03
Stockholder Dividends; Q5; Q6
Subsequent Events; Q10, Note 22
Surplus; Q3; Q5; Q6
Surplus Notes; Q3; Q5; Q6
Swaps; QE07; QSI04
Synthetic Assets; QSI04; QSI05
Third Party Administrator; Q10, Note 19
Treasury Stock; Q3; Q5
Uninsured Accident and Health; Q2; Q3; Q10, Note 18
Valuation Allowance; QSI01
Wash Sales; Q10, Note 17
Withholds; Q4; Q8