



# HEALTH QUARTERLY STATEMENT

As of March 31, 2018  
of the Condition and Affairs of the

## USable Mutual Insurance Company

NAIC Group Code.....876, 876 (Current Period) (Prior Period)	NAIC Company Code..... 83470	Employer's ID Number..... 71-0226428
Organized under the Laws of Arkansas	State of Domicile or Port of Entry Arkansas	Country of Domicile US
Licensed as Business Type Life, Accident & Health	Is HMO Federally Qualified? Yes [ ] No [ ]	
Incorporated/Organized..... December 10, 1948	Commenced Business..... March 2, 1949	
Statutory Home Office	601 S. Gaines .. Little Rock .. AR .. US .. 72201 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	601 S. Gaines .. Little Rock .. AR .. US .. 72201 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	501-378-2000 <i>(Area Code) (Telephone Number)</i>
Mail Address	601 S. Gaines .. Little Rock .. AR .. US .. 72201 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	601 S. Gaines .. Little Rock .. AR .. US .. 72201 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	501-378-2000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.arkansasbluecross.com	
Statutory Statement Contact	Scott Bradley Winter <i>(Name)</i> sbwinter@arkbluecross.com <i>(E-Mail Address)</i>	501-399-3951 <i>(Area Code) (Telephone Number) (Extension)</i> 501-378-3258 <i>(Fax Number)</i>

### OFFICERS

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

### OTHER

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

### DIRECTORS OR TRUSTEES

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

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

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

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

a. Is this an original filing? Yes [ X ] No [ ]  
b. If no: 1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

**ASSETS**

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	626,173,007		626,173,007	602,697,042
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	232,569,294		232,569,294	266,388,409
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	51,601,200		51,601,200	48,733,751
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	6,941,737		6,941,737	7,073,975
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....70,898,367), cash equivalents (\$.....36,652,785) and short-term investments (\$.....101,178,645).....	208,729,797		208,729,797	180,278,560
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	201,470,848		201,470,848	137,348,223
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	3,516,421	0	3,516,421	3,516,367
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,331,002,304	0	1,331,002,304	1,246,036,328
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	5,372,111		5,372,111	4,851,486
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....142,333,719) and contracts subject to redetermination (\$.....37,430,016).....	179,763,735		179,763,735	180,806,581
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	3,540,312		3,540,312	9,942,321
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....	32,092,595	1,454,536	30,638,059	69,398,080
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	8,478,760
18.2 Net deferred tax asset.....	50,406,222	19,994,297	30,411,925	29,045,723
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	11,610,883	4,283,295	7,327,589	8,693,596
21. Furniture and equipment, including health care delivery assets (\$.....0).....	26,254,559	26,254,559	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	31,613,172	14,153,345	17,459,827	13,189,918
24. Health care (\$.....23,127,688) and other amounts receivable.....	63,567,846	15,088,633	48,479,213	49,743,584
25. Aggregate write-ins for other than invested assets.....	90,391,888	35,157,884	55,234,004	44,356,083
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,825,615,627	116,386,548	1,709,229,078	1,664,542,460
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	1,825,615,627	116,386,548	1,709,229,078	1,664,542,460

**DETAILS OF WRITE-INS**

1101. Deposits with National Accounts.....	3,516,421		3,516,421	3,516,367
1102. ....			0	
1103. ....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	3,516,421	0	3,516,421	3,516,367
2501. Supplemental Savings Plan.....	54,901,640		54,901,640	44,023,719
2502. Other Assets.....	332,364		332,364	332,364
2503. Other Non-Admitted Assets.....	35,157,884	35,157,884	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	90,391,888	35,157,884	55,234,004	44,356,083

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....5,810,779 reinsurance ceded).....	233,903,090	552,891	234,455,981	225,461,260
2. Accrued medical incentive pool and bonus amounts.....	3,980,980		3,980,980	3,980,682
3. Unpaid claims adjustment expenses.....	5,969,144		5,969,144	6,102,438
4. Aggregate health policy reserves, including the liability of \$.....2,675,253 for medical loss ratio rebate per the Public Health Service Act.....	140,960,655		140,960,655	138,053,165
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	44,718,321		44,718,321	36,011,243
9. General expenses due or accrued.....	274,970,047		274,970,047	258,290,478
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....	10,434,423		10,434,423	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....	3,600,163		3,600,163	3,841,956
12. Amounts withheld or retained for the account of others.....	51,181,313		51,181,313	50,142,293
13. Remittances and items not allocated.....	1,122,409		1,122,409	200,538
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	206,331		206,331	796,192
16. Derivatives.....			0	
17. Payable for securities.....	1,302,000		1,302,000	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and certified \$.....0 reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	42,908,141		42,908,141	55,184,343
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	19,971,190	0	19,971,190	20,141,327
24. Total liabilities (Lines 1 to 23).....	835,228,206	552,891	835,781,097	798,205,915
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	40,900,000
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	873,447,982	825,436,545
32. Less treasury stock, at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	873,447,982	866,336,545
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	1,709,229,079	1,664,542,460

**DETAILS OF WRITE-INS**

2301. Deferred Gain on Capitalization of joint venture.....	19,617,685		19,617,685	19,617,685
2302. Miscellaneous.....	353,505		353,505	523,642
2303. ....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	19,971,190	0	19,971,190	20,141,327
2501. 2018 ACA Insurer Fee Estimate.....	XXX	XXX		40,900,000
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	40,900,000
3001. ....				
3002. ....				
3003. ....				
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months.....	XXX.....	1,970,412	2,132,000	8,147,024
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	640,283,785	649,510,479	2,527,134,174
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	(3,447,912)	(4,949,744)	(3,421,193)
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....			
5. Risk revenue.....	XXX.....			
6. Aggregate write-ins for other health care related revenues.....	XXX.....	0	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX.....	636,835,873	644,560,735	2,523,712,982
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....		276,222,915	316,715,102	1,185,779,837
10. Other professional services.....		9,863,442	9,971,121	41,460,681
11. Outside referrals.....		7,283,066	7,271,524	
12. Emergency room and out-of-area.....		63,185,295	92,680,479	366,612,317
13. Prescription drugs.....		118,484,317	132,722,073	558,588,863
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		2,367,363	2,666,106	12,810,635
16. Subtotal (Lines 9 to 15).....	0	477,406,398	562,026,405	2,165,252,334
<b>Less:</b>				
17. Net reinsurance recoveries.....		(14,294,504)	(11,424,077)	(51,679,047)
18. Total hospital and medical (Lines 16 minus 17).....	0	491,700,901	573,450,482	2,216,931,381
19. Non-health claims (net).....				
20. Claims adjustment expenses, including \$.....2,540,477 cost containment expenses.....		31,973,271	19,330,690	91,513,500
21. General administrative expenses.....		73,739,731	52,530,611	208,983,349
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....		(540,483)	(256,416)	(860,552)
23. Total underwriting deductions (Lines 18 through 22).....	0	596,873,420	645,055,367	2,516,567,678
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	39,962,453	(494,631)	7,145,304
25. Net investment income earned.....		4,651,382	3,563,700	16,457,361
26. Net realized capital gains (losses) less capital gains tax of \$.....3,451,951.....		12,985,912	(31,712)	7,705,335
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	17,637,294	3,531,988	24,162,696
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....0)].....				
29. Aggregate write-ins for other income or expenses.....	0	352,731	264,940	1,308,130
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	57,952,478	3,302,296	32,616,130
31. Federal and foreign income taxes incurred.....	XXX.....	15,461,232	309,034	1,949,765
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	42,491,246	2,993,262	30,666,365

**DETAILS OF WRITE-INS**

0601. ....	XXX.....			
0602. ....	XXX.....			
0603. ....	XXX.....			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	0	0	0
0701. ....	XXX.....			
0702. ....	XXX.....			
0703. ....	XXX.....			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	0	0	0
1401. ....				
1402. ....				
1403. ....				
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901. Miscellaneous Income/Expense.....		352,731	264,040	1,309,130
2902. State Tax Expense.....			900	(1,000)
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	352,731	264,940	1,308,130

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

<b>CAPITAL AND SURPLUS ACCOUNT</b>	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year.....	866,336,545	842,782,354	842,782,354
34. Net income or (loss) from Line 32.....	42,491,246	2,993,262	30,666,365
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.....	(13,200,024)	1,902,305	20,642,883
37. Change in net unrealized foreign exchange capital gain or (loss).....		(72,450)	(21,464)
38. Change in net deferred income tax.....	107,027	1,838,729	(37,106,280)
39. Change in nonadmitted assets.....	(22,435,948)	(5,875,116)	8,773,109
40. Change in unauthorized and certified reinsurance.....			
41. Change in treasury stock.....			
42. Change in surplus notes.....			
43. Cumulative effect of changes in accounting principles.....			
44. Capital changes:			
44.1 Paid in.....			
44.2 Transferred from surplus (Stock Dividend).....			
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....			
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....			
47. Aggregate write-ins for gains or (losses) in surplus.....	149,136	168,994	599,578
48. Net change in capital and surplus (Lines 34 to 47).....	7,111,437	955,724	23,554,191
49. Capital and surplus end of reporting period (Line 33 plus 48).....	873,447,982	843,738,078	866,336,545

**DETAILS OF WRITE-INS**

4701. Capital Lease Adjustment.....	149,136	111,619	599,578
4702. Miscellaneous.....		57,375	
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	149,136	168,994	599,578

# USAbile Mutual Insurance Company

## CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	643,328,752	663,788,029	2,497,719,680
2. Net investment income.....	6,979,374	6,137,718	22,465,105
3. Miscellaneous income.....			
4. Total (Lines 1 through 3).....	650,308,126	669,925,747	2,520,184,785
5. Benefit and loss related payments.....	474,063,855	560,276,222	2,218,555,334
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	62,620,903	107,984,890	310,813,670
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	0	(1,419,381)	(2,786,085)
10. Total (Lines 5 through 9).....	536,684,758	666,841,730	2,526,582,919
11. Net cash from operations (Line 4 minus Line 10).....	113,623,368	3,084,016	(6,398,134)
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	17,650,650	10,065,000	367,946,543
12.2 Stocks.....	32,512,826	162,468	32,922,138
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....		13,380	1,001,316
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			(11,439)
12.7 Miscellaneous proceeds.....	1,302,000	4,308,639	4,302,192
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	51,465,476	14,549,487	406,160,751
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	42,275,954	34,413,731	384,168,025
13.2 Stocks.....		20,000,000	7,577,327
13.3 Mortgage loans.....			
13.4 Real estate.....	4,318,662	1,050,045	7,801,603
13.5 Other invested assets.....	63,000,000	20,000,000	41,001,316
13.6 Miscellaneous applications.....	53	39,671	47,621
13.7 Total investments acquired (Lines 13.1 to 13.6).....	109,594,670	75,503,447	440,595,892
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).....	(58,129,194)	(60,953,960)	(34,435,142)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	(27,042,937)	(9,911,716)	(11,295,919)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(27,042,937)	(9,911,716)	(11,295,919)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	28,451,237	(67,781,660)	(52,129,195)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	180,278,558	232,407,753	232,407,753
19.2 End of period (Line 18 plus Line 19.1).....	208,729,795	164,626,093	180,278,558

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							
<b>Total Members at End of:</b>										
1. Prior Year.....	665,312	235,903	137,470	119,692	26,540	50,452	66,090	15,323		13,842
2. First Quarter.....	657,477	227,885	135,379	119,904	28,358	52,390	66,664	12,968		13,929
3. Second Quarter.....	0									
4. Third Quarter.....	0									
5. Current Year.....	0									
6. Current Year Member Months.....	1,970,412	683,269	408,309	360,352	84,517	158,254	200,541	39,213		35,957
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician.....	824,086	86,351	83,052	498,556	-	156,127				
8. Non-Physician.....	1,028,144	204,184	377,086	446,874	-	-				
9. Total.....	1,852,230	290,535	460,138	945,430	0	156,127	0	0	0	0
10. Hospital Patient Days Incurred.....	913,163	114,937	351,352	446,874						
11. Number of Inpatient Admissions.....	10,963	499	1,690	8,774						
12. Health Premiums Written (a).....	626,723,761	284,131,645	147,903,334	67,014,364	1,647,573	12,264,440	71,765,123	33,537,078		8,460,203
13. Life Premiums Direct.....	0									
14. Property/Casualty Premiums Written.....	0									
15. Health Premiums Earned.....	623,275,849	286,056,261	147,902,640	66,707,996	1,647,573	12,293,254	66,674,249	33,537,078		8,456,799
16. Property/Casualty Premiums Earned.....	0									
17. Amount Paid for Provision of Health Care Services.....	462,034,485	177,125,739	120,903,278	56,879,657	1,098,723	8,182,857	58,344,920	30,894,524		8,604,787
18. Amount Incurred for Provision of Health Care Services.....	477,406,399	204,552,556	105,991,926	59,153,648	1,052,860	8,204,857	58,192,935	30,027,712		10,229,905

Q07

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees \$.....33,537,078.

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

### Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
<b>Claims Unpaid (Reported)</b>						
0399999. Aggregate Accounts Not Individually Listed-Covered.....	38,504,777	3,472,500	811,950	301,906		43,091,133
0499999. Subtotals.....	38,504,777	3,472,500	811,950	301,906	0	43,091,133
0599999. Unreported Claims and Other Claim Reserves.....						197,175,628
0799999. Total Claims Unpaid.....						240,266,760
0899999. Accrued Medical Incentive Pool and Bonus Amounts.....						3,980,980

## UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	95,140,237	259,707,541	17,474,695	154,395,523	112,614,932	162,175,121
2. Medicare Supplement.....	16,449,730	40,429,927	2,040,903	20,534,097	18,490,633	20,295,450
3. Dental only.....	1,092,562	7,090,295	157,717	1,407,283	1,250,279	1,543,000
4. Vision only.....	.....	1,098,723	.....	.....	0	45,863
5. Federal Employees Health Benefits Plan.....	13,962,357	44,114,278	2,841,381	14,292,315	16,803,738	17,102,335
6. Title XVIII - Medicare.....	14,358,956	16,335,493	2,719,153	13,105,911	17,078,109	16,975,376
7. Title XIX - Medicaid.....	.....	.....	.....	.....	0	.....
8. Other health.....	353,839	8,249,570	370,523	5,116,480	724,362	7,324,115
9. Health subtotal (Lines 1 to 8).....	141,357,681	377,025,827	25,604,372	208,851,609	166,962,053	225,461,260
10. Healthcare receivables (a).....	.....	38,044,690	.....	.....	0	.....
11. Other non-health.....	.....	.....	.....	.....	0	.....
12. Medical incentive pools and bonus amounts.....	719,476	1,647,589	.....	3,980,980	719,476	3,980,682
13. Totals (Lines 9-10+11+12).....	142,077,157	340,628,726	25,604,372	212,832,589	167,681,529	229,441,942

609

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

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

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

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

	SSAP #	F/S Page	F/S Line #	2018	2017
<b>NET INCOME</b>					
(1) USAbLe Mutual Insurance Company Company state basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	\$ 42,491,246	\$ 30,666,365
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 42,491,246	\$ 30,666,365
<b>SURPLUS</b>					
(5) USAbLe Mutual Insurance Company Company state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	\$873,447,982	\$866,336,545
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$873,447,982	\$866,336,545

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

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

**C. Accounting Policy**

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

In addition, the company uses the following accounting policies:

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds not backed by other loans and are stated at amortized cost using the interest method. The company is not currently holding any SVO-Identified investments.
- 3) Common Stocks are carried at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- 4) The Company does not have preferred stock.
- 5) The Company does not have mortgage loans.
- 6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities.
- 7) Common stock investments in affiliates including limited liability companies are carried at their NAIC SAP or GAAP equity values in accordance with the requirements of SSAP no. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities*.
- 8) The Company has minor investments in joint ventures, partnerships and limited liability companies. See (7) above for accounting policy.
- 9) The Company does not have derivatives.
- 10) The Company does not have premium deficiency reserves.
- 11) The Company sets the claims liability at the regional level, but there are reasonableness checks using a reserve set on an overall basis. When setting liability, the 7 methods described below are employed. Based on the estimates of these methods and retrospective considerations, the best estimate is set, and then an explicit margin is added to ensure that the estimate is sufficient.

- a. **Aggregate Method:** Here, we subtract 12 months of paid claims from 12 months of estimated incurred claims to get our liability estimate
- b. **3 Month Average Method:** As our base liability estimate, we use the average liability of the third, fourth, and fifth month prior to the current month. Adjustments are made for trend, membership change, and backlog to come up with the current month's estimate of liability.
- c. **Previous Year's Cost per Member Method:** This method starts out by taking the average cost per member for the prior year's four month ending period. This four month average cost from the previous year is then trended forward to get an estimate as to what the average four month ending incurred cost would be for the current year. From this, we subtract the equivalent four month's paid claims to get an estimate of what the most recent four month's liability will be. To get the total liability in addition to just the most recent four

**NOTES TO FINANCIAL STATEMENTS**

month's reserve, we add the accumulated liability from four months past that comes to us straight from the T440 report.

- d. **Previous Year's IBNR Method** This method is similar to the Three Month Average Method, except that we use the actual reserve from one year ago as our base estimate of liability. This is projected forward using adjustments for trend, membership change, and backlog.
- e. **ABCBS PMPM Method** This method allows us to set what we think the incurred PMPM will be for each of the last three months. This lets us take into account seasonality or other unusual circumstances that straight averages wouldn't normally pick up. After we have set the last three month's PMPMs, we subtract what has been paid thus far in those three months to come up with an estimate for the most recent three month's liability. Any liability remaining for the time period prior to the most recent three-month period is picked up from the accumulated liability number straight off of the T440 report. Historical completion factors are calculated on a 36 month basis.
- f. **HMO PMPM Method:** We have employed some additional PMPM methods on some of our larger blocks. The only difference between the HMO PMPM method and the ABCBS PMPM Method described above is the manner in which the historical completion factors are calculated. This method calculates completion factors by incurral year. Completion factors used for the current year are based on the previous year's experience.
- g. **12 Month CF Method:** This is identical to the ABCBS PMPM Method, except that historical completion factors are based on 12 months rolling data, and not 36 months' worth of data.

13) Pharmacy rebate receivable estimates are based upon a history of rebates billed vs. paid pharmacy claims.

D. Going Concern - Not applicable

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

No significant changes

**Note 3 – Business Combinations and Goodwill**

No significant changes

**Note 4 – Discontinued Operations**

No significant changes

**Note 5 – Investments**

D. Loan-Backed Securities

- (1) Description of Sources Used to Determine Prepayment Assumptions

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

- (2) Other-Than-Temporary Impairments

Not Applicable

- (3) Recognized OTTI securities

Not Applicable

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

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$	50,794
	2. 12 Months or Longer	\$	20,249
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	1,977,550
	2. 12 Months or Longer	\$	1,067,660

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

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions  
Not Applicable
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Not Applicable
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions  
Not Applicable
- H. Repurchase Agreements Transactions Accounted for as a Sale  
Not Applicable
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale  
Not Applicable
- M. Working Capital Finance Investments  
Not Applicable
- N. Offsetting and Netting of Assets and Liabilities  
Not Applicable

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

No significant changes

**Note 7 – Investment Income**

No significant changes

**Note 8 – Derivative Instruments**

- H. The Aggregate, Non-Discounted Total Premium Cost for the se Contracts and the Premium Cost Due in Each of the Following Four Years  
Not Applicable

**Note 9: Income Taxes**

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

1.

	03/31/18		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	73,686,165	867,580	74,553,745
(b) Statutory Valuation Allowance Adjustment	1,522,500	0	1,522,500
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	72,163,665	867,580	73,031,245
(d) Deferred Tax Assets Nonadmitted	19,994,297	0	19,994,297
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	52,169,368	867,580	53,036,948
(f) Deferred Tax Liabilities	707,858	21,917,166	22,625,024
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	51,461,511	(21,049,586)	30,411,925

	12/31/17		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	72,786,891	848,518	73,635,409
(b) Statutory Valuation Allowance Adjustment	1,522,500	0	1,522,500
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	71,264,391	848,518	72,112,909
(d) Deferred Tax Assets Nonadmitted	16,669,178	0	16,669,178
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	54,595,213	848,518	55,443,731

**NOTES TO FINANCIAL STATEMENTS**

(f) Deferred Tax Liabilities	715,191	25,682,817	26,398,009
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	53,880,021	(24,834,299)	29,045,722

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
(a) Gross Deferred Tax Assets	899,275	19,062	918,337
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	899,275	19,062	918,337
(d) Deferred Tax Assets Nonadmitted	3,325,119	0	3,325,119
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	(2,425,844)	19,062	(2,406,782)
(f) Deferred Tax Liabilities	(7,333)	(3,765,651)	(3,772,985)
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	(2,418,511)	3,784,713	1,366,202

2.

	03/31/18		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
<b>Admission Calculation Components - SSAP 101</b>			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	27,694,365	(3,862,360)	23,832,005
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	2,717,559	3,862,360	6,579,919
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	2,717,559	3,862,360	6,579,919
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	2,717,559	3,862,360	6,579,919
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	21,757,444	867,580	22,625,024
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	52,169,368	867,580	53,036,948

	12/31/17		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
<b>Admission Calculation Components - SSAP 101</b>			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	23,872,156	0	23,872,156
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	5,173,567	0	5,173,567
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	5,173,567	0	5,173,567
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	5,173,567	0	5,173,567
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	25,549,490	848,518	26,398,008
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	54,595,213	848,518	55,443,731

**NOTES TO FINANCIAL STATEMENTS**

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
<b>Admission Calculation Components - SSAP 101</b>			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	3,822,209	(3,862,360)	(40,151)
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	(2,456,008)	3,862,360	1,406,352
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	(2,456,008)	3,862,360	1,406,352
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	(2,456,008)	3,862,360	1,406,352
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	(3,792,046)	19,062	(3,772,984)
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	(2,425,845)	19,062	(2,406,783)

3.

	2018	2017
(a) Ratio Percentage used to determine Recovery Period and Threshold Limitation Amount	835%	808%
(b) Amount of Adjusted Capital and Surplus used to determine Recovery Period and Threshold Limitation in 2(b)2 above	757,030,657	771,028,049

4.

	03/31/18		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
<b>Impact of Tax Planning Strategies</b>			
1. Adjusted Gross DTAA Amount From Note 9A1(c)	72,163,665	867,580	73,031,245
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	52,169,368	867,580	53,036,948
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%

	12/31/17		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
<b>Impact of Tax Planning Strategies</b>			
1. Adjusted Gross DTAA Amount From Note 9A1(c)	71,264,391	848,518	72,112,909
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	54,595,213	848,518	55,443,731
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%

**NOTES TO FINANCIAL STATEMENTS**

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
<b>Impact of Tax Planning Strategies</b>			
1. Adjusted Gross DTAA Amount From Note 9A1( c)	899,275	19,062	918,337
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	(2,425,844)	19,062	(2,406,782)
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of reinsurance?

Yes

No

X

B. Regarding deferred tax liabilities that are not recognized:

Not applicable

C. Current and deferred income taxes consist of the following major components

1. Current Income Tax:

	(1) 03/31/18	(2) 12/31/17	(3) (Col 1-2) Change
(a) Federal	15,461,232	5,330,009	10,131,223
(b) Foreign	-	-	-
(c) Subtotal	15,461,232	5,330,009	10,131,223
(d) Federal Income Tax on net capital gains	3,451,951	(3,457,325)	6,909,276
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	(3,380,244)	3,380,244
(g) Federal & Foreign income tax incurred	18,913,183	(1,507,560)	20,420,743

0

2. Deferred Tax Assets:

	(1) 03/31/18	(2) 12/31/17	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	657,291	716,725	(59,435)
(2) Unearned premium reserves	-	-	-
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred Acquisition Costs	5,298,635	5,368,619	(69,984)
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	4,141,438	4,580,027	(438,588)
(8) Compensation and benefits accrual	42,978,088	43,291,977	(313,889)
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	16,298,256	11,952,713	4,345,544
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	2,504,053	5,008,105	(2,504,053)
(13) Other	1,808,405	1,868,725	(60,320)
(99) Subtotal - Ordinary	73,686,165	72,786,891	899,275
(b) Statutory valuation allowance adjustment	1,522,500	1,522,500	-
(c) Nonadmitted - Ordinary	19,994,297	16,669,178	3,325,119

**NOTES TO FINANCIAL STATEMENTS**

(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	52,169,368	54,595,213	(2,425,844)
(e) Capital:			
(1) Investments	867,580	848,518	19,062
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
(99) Subtotal - Capital	867,580	848,518	19,062
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted - Capital	-	-	-
(h) Admitted capital deferred tax assets (2a99-2b-2c)	867,580	848,518	19,062
(i) Admitted deferred tax assets (2d + 2h)	53,036,948	55,443,731	(2,406,782)

## 3. Deferred Tax Liabilities:

	(1) 03/31/18	(2) 12/31/17	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Investments	144,497	151,830	(7,333)
(2) Fixed Assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	563,361	563,361	-
(99) Subtotal - Ordinary	707,858	715,191	(7,333)
(b) Capital:			
(1) Investments	21,917,166	25,682,817	(3,765,651)
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal - Capital	21,917,166	25,682,817	(3,765,651)
(c) Deferred tax liabilities (3a99 + 3b99h)	22,625,024	26,398,009	(3,772,985)

4. Net Deferred Tax Assets/Liabilities (2i - 3c) 30,411,925      29,045,722      1,366,202

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

	03/31/18	
	Amounts	Effective Tax Rate %
<b>Permanent Differences:</b>		
Provision computed at statutory rate	12,894,930	21.0%
Proration of tax exempt income	25,262	0.0%
Tax exempt income deduction	(55,811)	-0.1%
Dividends received deduction	(45,239)	-0.1%
Disallowed travel and entertainment	12,856	0.0%
Other permanent differences	8,789,294	14.3%
<b>Temporary Differences:</b>		
Total ordinary DTAs	0	0.0%

**NOTES TO FINANCIAL STATEMENTS**

Total ordinary DTLs	0	0.0%
Total capital DTAs	0	0.0%
Total capital DTLs	0	0.0%
<b>Other:</b>		
Statutory valuation allowance adjustment	0	0.0%
Accrual adjustment - prior year	0	0.0%
Other	(2,815,137)	-4.6%
Totals	18,806,155	30.6%
Federal and foreign income taxes incurred	15,461,232	25.2%
Realized capital gains/(losses) tax	3,451,951	5.6%
Change in net deferred income taxes	(107,028)	-0.2%
Total statutory income taxes	18,806,155	30.6%

**E. Operating Loss Carryforwards and Income Taxes Available for Recoupment**

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

Description (NOL or tax credit cfw)	Amount	Origination Date	Expiration Date
none	0	0	0

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

Year	Amount
2017	2,609,412
2016	2,365,008

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

**F. Consolidated Federal Income Tax Return**

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

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

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

**G. Federal or Foreign Federal Income Tax Loss Contingencies**

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

**NOTES TO FINANCIAL STATEMENTS**

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

No significant changes

**Note 11 – Debt**

B. FHLB (Federal Home Loan Bank) Agreements

(1) Nature of the Agreement

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

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

2. Prior Year-End

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

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

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

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date (Current Year0

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

b. Maximum Amount Pledged During Year

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

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

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

2. Prior Year

	1	2
	Total	Funding Agreements Reserves Established
(a) Debt	\$	XXX
(b) Funding Agreements		\$

**NOTES TO FINANCIAL STATEMENTS**

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

## b. Maximum Amount During Reporting Period (Current Year)

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

## c. FHLB – Prepayment Obligations

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

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

## A. Defined Benefit Plan

## (4) Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2018	2017	2018	2017	2018	2017
a. Service cost	\$	\$	\$ 209,000	\$ 950,000	\$	\$
b. Interest cost			1,346,750	6,170,000		
c. Expected return on plan assets						
d. Transition asset or obligation						
e. Gains and losses			(653,500)	(2,614,000)		
f. Prior service cost or credit			136,000	1,193,000		
g. Gain or loss recognized due to a settlement curtailment						
h. Total net periodic benefit cost	\$	\$	\$ 1,038,250	\$ 5,699,000	\$	\$

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

No significant changes

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

No significant changes

**Note 15 – Leases**

No significant changes

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

No significant changes

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

## B. Transfer and Servicing of Financial Assets

## (2) Servicing Assets and Servicing Liabilities

## (4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales

## C. Wash Sales

## (1) Description of the Objectives Regarding These Transactions

**NOTES TO FINANCIAL STATEMENTS**

- (2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2018 and reacquired within 30 days of the sale date are:

Description	NAIC Designation	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain/(Loss)
			\$	\$	\$

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

No significant changes

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

No significant changes

**Note 20 – Fair Value Measurements**

## A. Fair Value Measurements

- (1) Fair Value Measurements at Reporting Date

	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
<b>Assets at Fair Value</b>					
Bonds	\$	\$	\$	\$	\$
Industrial and Misc	\$	\$ 4,486,334	\$	\$ 4,486,334	\$
Common Stock	\$	\$	\$	\$	\$
Industrial and Misc	\$ 52,250,184	\$ 12,003,364	\$	\$ 64,253,548	\$
Mutual Fund	\$	\$ 32,666,352	\$	\$ 32,666,352	\$
Parent, Subsidiaries, and Affiliates	\$	\$	\$ 168,315,746	\$ 168,315,746	\$
<b>Total</b>	<b>\$ 52,250,184</b>	<b>\$ 49,156,050</b>	<b>\$ 168,315,746</b>	<b>\$ 269,721,980</b>	<b>\$</b>
<b>Liabilities at Fair Value</b>					
	\$	\$	\$	\$	\$
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

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

	Beginning Balance at 1/1/2018	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2018
<b>a. Assets</b>										
Parent, Subsidiaries and Affiliates	\$ 167,411,928	\$	\$	\$	\$ 903,818	\$	\$	\$	\$	\$ 168,315,746
<b>Total</b>	<b>\$ 167,411,928</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 903,818</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 168,315,746</b>
<b>b. Liabilities</b>										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

- (3) Policies when Transfers Between Levels are Recognized

Not Applicable

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

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

- (5) Fair Value Disclosures

Not Applicable

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

Not Applicable

## C. Fair Value Level

**NOTES TO FINANCIAL STATEMENTS**

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Bonds	\$ 4,486,334	\$ 4,486,334	\$	\$ 4,486,334	\$	\$	\$
Common Stock	\$ 265,235,646	\$ 265,235,646	\$ 52,250,184	\$ 44,669,716	\$ 168,315,746	\$	\$

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

Not Applicable

**Note 21 – Other Items**

No significant changes

**Note 22 – Events Subsequent**

No significant changes

**Note 23 – Reinsurance**

No significant changes

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

E. Risk Sharing Provisions of the Affordable Care Act

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

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

a. Permanent ACA Risk Adjustment Program		AMOUNT
<b>Assets</b>		
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)		\$ 27,164,178
<b>Liabilities</b>		
2. Risk adjustment user fees payable for ACA Risk Adjustment		\$
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool payments)		\$
<b>Operations (Revenue &amp; Expenses)</b>		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		\$
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)		\$

b. Transitional ACA Reinsurance Program		AMOUNT
<b>Assets</b>		
1. Amounts recoverable for claims paid due to ACA Reinsurance		\$ 180,182
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)		\$
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		\$
<b>Liabilities</b>		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium		\$
5. Ceded reinsurance premiums payable due to ACA Reinsurance		\$
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance		\$
<b>Operations (Revenue &amp; Expenses)</b>		
7. Ceded reinsurance premiums due to ACA Reinsurance		\$
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments		\$
9. ACA Reinsurance contributions – not reported as ceded premium		\$

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

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

	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
	1	2	3	4	Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
										0	10

**NOTES TO FINANCIAL STATEMENTS**

a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high risk pool payments)	\$ 27,164,178	\$	\$	\$	\$ 27,164,178	\$	\$	\$	A	\$ 27,164,178	\$
2. Premium adjustments (payable) (including high risk pool payments)									B		
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 27,164,178	\$	\$	\$	\$ 27,164,178	\$	\$	\$		\$ 27,164,178	\$
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$ 6,273,001	\$	\$ 6,092,819	\$	\$ 180,182	\$	\$	\$	C	\$ 180,182	\$
2. Amounts recoverable for claims unpaid (contra liability)									D		
3. Amounts receivable relating to uninsured plans									E		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premiums									F		
5. Ceded reinsurance premiums payable									G		
6. Liability for amounts held under uninsured plans									H		
7. Subtotal ACA Transitional Reinsurance Program	\$ 6,273,001	\$	\$ 6,092,819	\$	\$ 180,182	\$	\$	\$		\$ 180,182	\$
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	I	\$	\$
2. Reserve for rate credits or policy experience rating refunds									J		
3. Subtotal ACA Risk Corridors Program	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
d. Total for ACA Risk Sharing Provisions	\$ 33,437,179	\$	\$ 6,092,819	\$	\$ 27,344,360	\$	\$	\$		\$ 27,344,360	\$

Explanations of Adjustments

- A.
- B.
- C.
- D.
- E.
- F.
- G.
- H.
- I.
- J.

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

	Accrued the Prior Year Written Dec. 31 of the	During on Business Before Prior Year	Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
			3	4	Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)	
			1	2	5	6	7	8	9	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	
a. 2014											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	A	\$	\$
2. Reserve for rate credits for policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	B	\$	\$
b. 2015											

**NOTES TO FINANCIAL STATEMENTS**

	Accrued the Prior Year Written Dec. 31 of the	During on Business Before Prior Year	Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
			3	4	Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)	
			1	2	5	6	7	8	9	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	C	\$	\$
2. Reserve for rate credits for policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	D	\$	\$
c. 2018											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	E	\$	\$
2. Reserve for rate credits or policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	F	\$	\$
d. Total for Risk Corridors	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$

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

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts Received from CMS	4 Asset Balance (Gross of Non-Admissions) (1-2-3)	5 Non-Admitted Amount	5 Net Admitted Asset (4-5)
a. 2014	\$	\$	\$	\$	\$	\$
b. 2017	15,919,592	15,919,592				
c. 2018	19,020,408	19,020,408				
d. Total (a+b+c)	\$ 34,940,000	\$ 34,940,000	\$	\$	\$	\$

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

A. Change in Incurred Losses and Loss Adjustment Expenses

12/31/2017 Reserves	\$ 225,461,260	(includes Due and Unpaid)
2017 Claims paid in 2018	(141,357,680)	
2017 Claims Due and Unpaid	<u>(50,574,032)</u>	
Adjusted Net Reserves	\$ 33,529,548	
2017 Remaining Reserves @ 12/31/18	<u>25,604,372</u>	
Favorable Development	\$ 7,925,176	

B. Information about Significant Changes in Methodologies and Assumptions

No significant changes

**Note 26 – Intercompany Pooling Arrangements**

No significant changes

**Note 27 – Structured Settlements**

Not Applicable for Health Companies

**Note 28 – Health Care Receivables**

No significant changes

**Note 29 – Participating Policies**

No significant changes

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## NOTES TO FINANCIAL STATEMENTS

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**Note 30 – Premium Deficiency Reserves**

No significant changes

**Note 31 – Anticipated Salvage and Subrogation**

No significant changes

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes [X] No [ ]
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. \_\_\_\_\_
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes [ ] No [X] N/A [ ]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2015
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/28/2017
- 6.4 By what department or departments?  
Arkansas Insurance Department
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

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

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**FINANCIAL**

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

**INVESTMENT**

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

	1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ 0	\$ 0
14.22 Preferred Stock	0	0
14.23 Common Stock	167,411,928	168,315,746
14.24 Short-Term Investments	0	0
14.25 Mortgage Loans on Real Estate	0	0
14.26 All Other	94,978,028	96,929,258
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 262,389,956	\$ 265,245,004
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ 0	\$ 0

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

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0
17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes  No

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

1 Name of Custodian(s)	2 Custodian Address
US Bank Institutional Trust and Custody	PO Box 387, St. Louis, MO 61366-0387

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

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

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes  No
- 17.4 If yes, give full and complete information relating thereto:

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

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
116359	Foundation Resource Management	N/A	SEC	NO
104973	Wells Capital Management Inc.	54300B3H2IOO2L85I90	SEC	NO

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
108526	Martingale Asset Management, LP	549300GXM5ZGZJXZ1Y74	SEC	NO
106006	Barings, LLC	ANDKRHQKPRRG4Q2KLR05	SEC, CFTC, NFA	NO

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

18.2 If no, list exceptions:

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

- a. Documentation necessary to permit a full credit analysis of the security does not exist.
- 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 5\*GI securities?

Yes  No

## GENERAL INTERROGATORIES (continued)

### PART 2 - HEALTH

1. Operating Percentages:		
1.1 A&H loss percent .....		77.9 %
1.2 A&H cost containment percent .....		0.4 %
1.3 A&H expense percent excluding cost containment expenses .....		16.3 %
2.1 Do you act as a custodian for health savings accounts? .....	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.		0
2.3 Do you act as an administrator for health savings accounts? .....	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
2.4 If yes, please provide the amount of funds administered as of the reporting date.		0
3. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?.....	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]
3.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile or the reporting entity?.....	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]

**SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

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

**NONE**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

State, Etc.	1 Active Status (a)	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 through 7	9 Deposit-Type Contracts
1. Alabama.....AL	N								0
2. Alaska.....AK	N								0
3. Arizona.....AZ	N								0
4. Arkansas.....AR	L	514,810,655	33,537,078		71,765,123		620,112,856		
5. California.....CA	N								0
6. Colorado.....CO	N								0
7. Connecticut.....CT	N								0
8. Delaware.....DE	N								0
9. District of Columbia.....DC	N								0
10. Florida.....FL	N								0
11. Georgia.....GA	N								0
12. Hawaii.....HI	N								0
13. Idaho.....ID	N								0
14. Illinois.....IL	N								0
15. Indiana.....IN	N								0
16. Iowa.....IA	N								0
17. Kansas.....KS	N								0
18. Kentucky.....KY	N								0
19. Louisiana.....LA	N								0
20. Maine.....ME	N								0
21. Maryland.....MD	N								0
22. Massachusetts.....MA	N								0
23. Michigan.....MI	N								0
24. Minnesota.....MN	N								0
25. Mississippi.....MS	N								0
26. Missouri.....MO	N								0
27. Montana.....MT	N								0
28. Nebraska.....NE	N								0
29. Nevada.....NV	N								0
30. New Hampshire.....NH	N								0
31. New Jersey.....NJ	N								0
32. New Mexico.....NM	N								0
33. New York.....NY	N								0
34. North Carolina.....NC	N								0
35. North Dakota.....ND	N								0
36. Ohio.....OH	N								0
37. Oklahoma.....OK	N								0
38. Oregon.....OR	N								0
39. Pennsylvania.....PA	N								0
40. Rhode Island.....RI	N								0
41. South Carolina.....SC	N								0
42. South Dakota.....SD	N								0
43. Tennessee.....TN	N								0
44. Texas.....TX	L	6,610,906					6,610,906		
45. Utah.....UT	N								0
46. Vermont.....VT	N								0
47. Virginia.....VA	N								0
48. Washington.....WA	N								0
49. West Virginia.....WV	N								0
50. Wisconsin.....WI	N								0
51. Wyoming.....WY	N								0
52. American Samoa.....AS	N								0
53. Guam.....GU	N								0
54. Puerto Rico.....PR	N								0
55. U.S. Virgin Islands.....VI	N								0
56. Northern Mariana Islands.....MP	N								0
57. Canada.....CAN	N								0
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		521,421,561	33,537,078	0	71,765,123	0	626,723,761	0	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX							0		0
61. Total (Direct Business).....XXX		521,421,561	33,537,078	0	71,765,123	0	626,723,761	0	0

**DETAILS OF WRITE-INS**

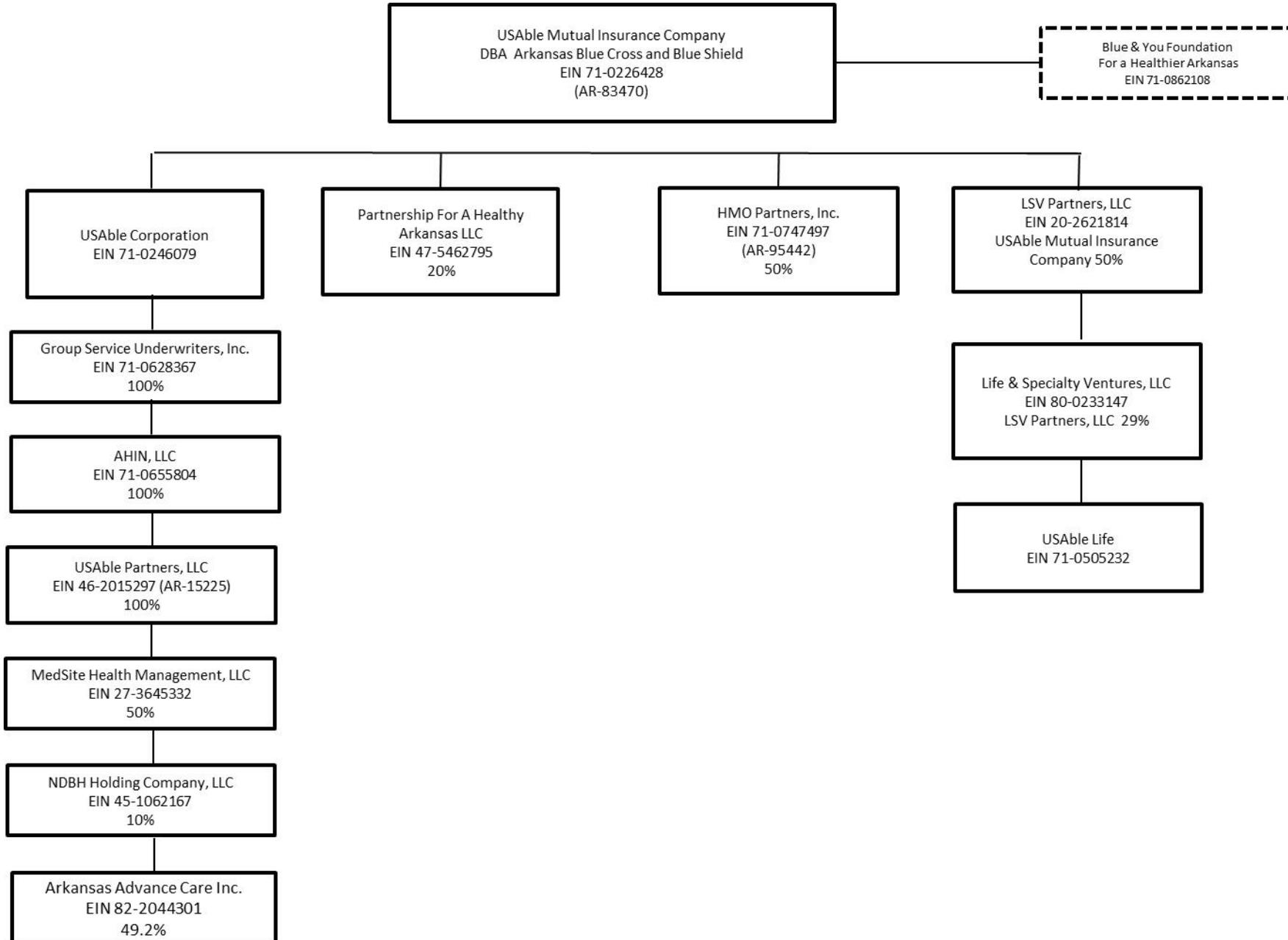
58001.....								0	
58002.....								0	
58003.....								0	
58998. Summary of remaining write-ins for line 58 from overflow page.....		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....		0	0	0	0	0	0	0	0

(a) Active Status Count

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

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

PART 1 – ORGANIZATIONAL CHART



**SCHEDULE Y**

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
<b>Members</b>															
0876	USable Mutual Insurance Company	83470...	71-0226428..				USable Mutual Insurance Company.....	AR.....		USable Mutual Insurance Company.....	Board.....		USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company		71-0862108..				Blue & You Foundation.....	AR.....	NIA.....	USable Mutual Insurance Company.....	Ownership, Board, Influence		USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company		71-0246079..				USable Corporation.....	AR.....	DS.....	USable Mutual Insurance Company.....	Ownership, Board, Influence	...100.000	USable Mutual Insurance Company.....	.....Y.....	
0876	USable Mutual Insurance Company		47-5462795..				Partnership for a Health Arkansas LLC.....	AR.....	DS.....	USable Mutual Insurance Company.....	Ownership, Influence, Board	....20.000	USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company	95442...	71-0747497..				HMO Partners, Inc.....	AR.....	DS.....	USable Mutual Insurance Company.....	Ownership, Board, Influence	....50.000	USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company		20-2621814..				LSV Partners, LLC.....	DE.....	DS.....	USable Mutual Insurance Company.....	Ownership, Board, Influence	....50.000	USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company		71-0628367..				Group Service Underwriters, Inc.....	AR.....	DS.....	USable Corporation.....	Ownership, Influence	...100.000	USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company		71-0655804..				AHIN, LLC.....	AR.....	DS.....	USable Corporation.....	Ownership, Influence	...100.000	USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company		27-3645332..				MedSite Health Management, LLC.....	AR.....	DS.....	USable Corporation.....	Ownership, Board, Influence	....50.000	USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company	15225...	46-2015297..				USable Partners, LLC.....	VT.....	DS.....	USable Corporation.....	Ownership, Board, Influence	...100.000	USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company		45-1062167..				NDBH Holding Company, LLC.....	AR.....	DS.....	USable Corporation.....	Ownership, Influence	....10.000	USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company		80-0233147..				Life & Specialty Ventures, Inc.....	DE.....	NIA.....	LSV Partners, Inc.....	Ownership, Board, Influence	....27.100	USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company	94358...	71-0505232..				USable Life.....	AR.....	IA.....	Life and Specialty Ventures, LLC.....	Ownership.....	...100.000	USable Mutual Insurance Company.....	.....N.....	
0876	USable Mutual Insurance Company	16240...	82-2044301..				Arkansas Advance Care, Inc.....	AR.....	DS.....	USable Corporation.....	Ownership, Influence	....49.200	USable Mutual Insurance Company.....	.....N.....	

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## **SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

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

**Response**

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

SEE EXPLANATION

**Explanation:**

1.

**Bar Code:**

**Overflow Page for Write-Ins**

**NONE**

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

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	55,807,725	53,500,652
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....	4,318,662	7,801,603
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		(63,597)
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....		
8. Deduct current year's depreciation.....	1,583,450	5,430,933
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	58,542,937	55,807,725
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	58,542,937	55,807,725

**SCHEDULE B - VERIFICATION**

Mortgage Loans

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

NONE

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	137,348,223	86,068,544
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		40,000,000
2.2 Additional investment made after acquisition.....	63,000,000	1,001,316
3. Capitalized deferred interest and other.....	251,406	
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	843,690	11,234,920
6. Total gain (loss) on disposals.....	27,530	44,758
7. Deduct amounts received on disposals.....		1,001,316
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).....	201,470,848	137,348,223
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	201,470,848	137,348,223

**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.....	892,609,394	906,176,388
2. Cost of bonds and stocks acquired.....	42,275,954	431,836,756
3. Accrual of discount.....	104,901	397,198
4. Unrealized valuation increase (decrease).....	(21,128,506)	(22,315,793)
5. Total gain (loss) on disposals.....	16,410,333	4,560,111
6. Deduct consideration for bonds and stocks disposed of.....	70,163,476	422,597,914
7. Deduct amortization of premium.....	1,370,068	6,601,915
8. Total foreign exchange change in book/adjusted carrying value.....		1,535,825
9. Deduct current year's other-than-temporary impairment recognized.....		381,262
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees.....	256,550	
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10).....	858,995,082	892,609,394
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	858,995,082	892,609,394

### SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	615,288,167	103,073,299	77,959,034	1,192,886	641,595,318			615,288,167
2. NAIC 2 (a).....	83,142,649	6,341,954	4,666,442	(1,564,236)	83,253,925			83,142,649
3. NAIC 3 (a).....	7,002,450			(513,608)	6,488,842			7,002,450
4. NAIC 4 (a).....					0			
5. NAIC 5 (a).....					0			
6. NAIC 6 (a).....					0			
7. Total Bonds.....	705,433,266	109,415,254	82,625,476	(884,958)	731,338,085	0	0	705,433,266
<b>PREFERRED STOCK</b>								
8. NAIC 1.....					0			
9. NAIC 2.....					0			
10. NAIC 3.....					0			
11. NAIC 4.....					0			
12. NAIC 5.....					0			
13. NAIC 6.....					0			
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	705,433,266	109,415,254	82,625,476	(884,958)	731,338,085	0	0	705,433,266

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$.....105,165,078; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

## SCHEDULE DA - PART 1

### Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	101,178,645	XXX	100,888,808	75,000	73,757

## SCHEDULE DA - VERIFICATION

### Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	52,747,346	162,993,458
2. Cost of short-term investments acquired.....	63,154,700	157,550,494
3. Accrual of discount.....	276,600	182,868
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		(11,439)
6. Deduct consideration received on disposals.....	15,000,000	267,963,943
7. Deduct amortization of premium.....		4,092
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).....	101,178,645	52,747,346
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	101,178,645	52,747,346

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

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

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

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

**Sch. DB - Verification  
NONE**

**SCHEDULE E - PART 2 - VERIFICATION**

Cash Equivalents

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	88,757,930	
2. Cost of cash equivalents acquired.....	501,226,216	1,837,072,804
3. Accrual of discount.....	12,955	44,126
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	553,344,316	1,748,359,000
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	36,652,785	88,757,930
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	36,652,785	88,757,930

### SCHEDULE A - PART 2

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

1 Description of Property	2 Location		3 State	4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	City								
<b>Acquired by Purchase</b>									
Main Building Improvements.....	Little Rock.....		AR.....	Various	Improvements.....				1,641,922
USACC Improvements: BCBS portion.....	Little Rock.....		AR.....	Various	Improvements.....				2,627,171
Timberland Poyen.....	Poyen.....		AR.....	Various	Reforestation.....				48,524
Timberland Ashdown.....	Ashdown.....		AR.....	Various	Reforestation.....				1,046
0199999. Totals.....						0	0	0	4,318,662
<b>Acquired by Internal Transfer</b>									
6th & Gaines (North Building).....									
0299999. Totals.....						0	0	0	0
0399999. Totals.....						0	0	0	4,318,662

QE01

### SCHEDULE A - PART 3

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

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

**SCHEDULE B - PART 2**

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

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

**NONE**

QE02

**SCHEDULE B - PART 3**

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

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

**NONE**

### SCHEDULE BA - PART 2

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made after Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
<b>Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated</b>												
97MSCM 3D 9	BABSON CAPITAL FLOATING RATE INCOME FUND.....		USA	BABSON CAPITAL FLOATING RATE INCOME FUND.....		01/31/2017			23,000,000			
1999999	Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated.....							0	23,000,000	0	0	XXX
<b>Any Other Class of Asset - Unaffiliated</b>												
97MSCN 75 0	MARTINGALE INVST TR SER 1.....		USA	MARTINGALE INVST TR SER 1.....		03/31/2017			40,000,000			
4299999	Total - Any Other Class of Asset - Unaffiliated.....							0	40,000,000	0	0	XXX
4499999	Subtotal - Unaffiliated.....							0	63,000,000	0	0	XXX
4699999	Totals.....							0	63,000,000	0	0	XXX

QE03

### SCHEDULE BA - PART 3

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization) / Accretion	11 Current Year's Other-Than-Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
<b>NONE</b>																			

## SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. States, Territories and Possessions</b>									
574193 GZ 5	MARYLAND ST.....		03/13/2018.....	Citigroup Global Markets, Inc.....		1,054,550	1,000,000	1,556	1FE.....
677522 HE 7	OHIO ST.....		02/27/2018.....	Citigroup Global Markets, Inc.....		1,150,410	1,000,000	16,667	1FE.....
1799999	Total - Bonds - U.S. States, Territories & Possessions.....					2,204,960	2,000,000	18,222	XXX.....
<b>Bonds - U.S. Political Subdivisions of States</b>									
184541 AN 0	CLEAR CREEK TEX INDPST SCH DIST.....		03/14/2018.....	HILLTOP SECURITIES INC.....		1,163,650	1,000,000	4,306	1FE.....
590621 KY 3	MESA CNTY COLO VY SCH DIST NO 051 GRAND.....		02/01/2018.....	RBC CAPITAL MARKETS, LLC.....		900,795	750,000		1FE.....
64966M WK 1	NEW YORK N Y.....		02/23/2018.....	RBC CAPITAL MARKETS, LLC.....		1,000,000	1,000,000		1FE.....
953542 EL 7	WEST KERN CMNTY COLLEGE DIST CALIF.....		03/28/2018.....	HILLTOP SECURITIES INC.....		476,792	470,000	6,900	1FE.....
2499999	Total - Bonds - U.S. Political Subdivisions of States.....					3,541,237	3,220,000	11,205	XXX.....
<b>Bonds - U.S. Special Revenue and Special Assessment</b>									
010831 DM 4	ALAMEDA CNTY CALIF JT PWRS AUTH LEASE RE.....		03/23/2018.....	NATIONAL FINANCIAL SERVICES CO.....		500,000	500,000		1FE.....
18085P KE 3	CLARK CNTY NEV ARPT REV.....		03/26/2018.....	Citigroup Global Markets, Inc.....		1,000,000	1,000,000	2,761	1FE.....
19633S AF 0	COLORADO BRDG ENTERPRISE REV.....		02/12/2018.....	RBC CAPITAL MARKETS, LLC.....		533,880	500,000	2,944	1FE.....
196479 H6 9	COLORADO HSG & FIN AUTH.....		03/07/2018.....	BARCLAYS CAPITAL INC FIXED INC.....		1,090,000	1,090,000		1FE.....
3133EH 2U 6	FEDERAL FARM CREDIT BANKS FUNDING CORP.....		01/12/2018.....	Raymond James Financial.....		1,985,600	2,000,000	4,439	1.....
3133EH 5S 8	FEDERAL FARM CREDIT BANKS FUNDING CORP.....		01/12/2018.....	HILLTOP SECURITIES INC.....		2,979,870	3,000,000	2,173	1.....
392274 ZY 5	GREATER ORLANDO AVIATION AUTH ORLANDO FL.....		03/14/2018.....	KEYBANC CAPITAL MARKETS INC.....		1,092,030	1,000,000	22,917	1FE.....
41423P AH 0	HARRIS CNTY TEX TOLL RD REV.....		02/08/2018.....	GOLDMAN, SACHS & CO.....		1,194,680	1,000,000		1FE.....
54651R AR 0	LOUISIANA ST UNCLAIMED PPTY SPL REV.....		02/26/2018.....	Stifel, Nicolaus & Co., Inc.....		1,116,440	1,000,000	24,583	1FE.....
55554R AA 2	MACON-BIBB CNTY GA HSG AUTH MULTIFAMILY.....		03/28/2018.....	Stifel, Nicolaus & Co., Inc.....		1,000,000	1,000,000		1FE.....
57587A DL 9	MASSACHUSETTS ST HSG FIN AGY HSG REV.....		03/29/2018.....	US Bank.....		315,639	315,000	2,669	1FE.....
592646 W2 5	METROPOLITAN WASH D C ARPTS AUTH ARPT SY.....		03/23/2018.....	Stifel, Nicolaus & Co., Inc.....		1,067,530	1,000,000	24,444	1FE.....
627679 JC 8	MUSKEGON CNTY MICH BLDG AUTH.....		03/15/2018.....	MERRILL LYNCH, PIERCE, FENNER & SMITH.....		865,000	865,000		1FE.....
649883 XP 5	NEW YORK ST MTG AGY HOMEOWNER MTG REV.....		03/20/2018.....	SAMUEL A RAMIREZ & COMPANY INC.....		753,923	750,000	8,194	1FE.....
65821D BZ 3	NORTH CAROLINA MED CARE COMMN HEALTH CAR.....		03/27/2018.....	Citigroup Global Markets, Inc.....		1,000,000	1,000,000	712	1FE.....
67732P DM 7	OHIO CNTY W VA CNTY COMMN SPL DIST EXCIS.....		03/02/2018.....	CREWS & ASSOCIATES, INC.....		625,000	625,000		2FE.....
67868U FW 8	OKLAHOMA CNTY OKLA FIN AUTH EDL FACS LEA.....		02/07/2018.....	D. A. DAVIDSON & CO.....		1,153,830	1,000,000		1FE.....
67868U GD 9	OKLAHOMA CNTY OKLA FIN AUTH EDL FACS LEA.....		02/16/2018.....	D. A. DAVIDSON & CO.....		500,000	500,000		1FE.....
683042 AJ 4	ONTARIO CALIF INTL ARPT AUTH REV.....		02/21/2018.....	OPPENHEIMER & CO. INC.....		955,640	1,000,000	7,889	1FE.....
696499 DY 5	PALM BEACH CNTY FLA ARPT SYS REV.....		02/01/2018.....	Citigroup Global Markets, Inc.....		1,131,060	1,000,000	17,222	1FE.....
71781L AM 1	PHILADELPHIA PA AUTH FOR INDL DEV PENSIO.....		01/02/2018.....	SAMUEL A RAMIREZ & COMPANY INC.....		514,654	425,000	5,922	1FE.....
73358W S4 7	PORT AUTH N Y & N J.....		01/24/2018.....	MERRILL LYNCH, PIERCE, FENNER & SMITH.....		1,185,930	1,000,000		1FE.....
76219D AH 1	RHODE IS COMM CORP SPL FAC REV.....		02/15/2018.....	Citigroup Global Markets, Inc.....		571,705	500,000		2FE.....
791638 B2 4	ST. LOUIS, CITY OF.....		03/12/2018.....	BANK OF NEW YORK/FMSBONDS, INC.....		864,016	800,000	8,111	1FE.....
79467B AJ 4	SALES TAX SECURITIZATION CORPORATION.....		02/06/2018.....	GOLDMAN, SACHS & CO.....		877,598	750,000	5,625	1FE.....
976596 AQ 9	WISCONSIN CTR DIST WIS APPROPRIATION REV.....		03/09/2018.....	Citigroup Global Markets, Inc.....		813,806	715,000	8,739	1FE.....
97689Q GV 2	WISCONSIN HSG & ECONOMIC DEV AUTH HOME O.....		02/23/2018.....	RBC CAPITAL MARKETS, LLC.....		750,000	750,000		1FE.....
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments.....					26,437,830	25,085,000	149,344	XXX.....
<b>Bonds - Industrial and Miscellaneous</b>									
001055 AM 4	AFLAC INC.....		03/13/2018.....	J.P. MORGAN SECURITIES INC.....		1,005,390	1,000,000	12,083	1FE.....
122014 AH 6	BURLINGTON RESOURCES INC.....		01/30/2018.....	Stifel, Nicolaus & Co., Inc.....		3,367,702	2,600,000	80,542	2FE.....
231021 AR 7	CUMMINS INC.....		01/18/2018.....	HILLTOP SECURITIES INC.....		525,075	500,000	5,627	1FE.....
468223 AH 5	JACKSON LABORATORY.....		03/12/2018.....	BARCLAYS CAPITAL INC FIXED INC.....		1,000,000	1,000,000		1FE.....
695156 AQ 2	PACKAGING CORP OF AMERICA.....		01/24/2018.....	Raymond James Financial.....		1,777,547	1,663,000	17,669	2FE.....
74005P BF 0	PRAXAIR INC.....		03/06/2018.....	Raymond James Financial.....		1,845,000	1,875,000	2,391	1FE.....
86944B AC 7	SUTTER HEALTH.....		03/26/2018.....	HILLTOP SECURITIES INC.....		571,213	580,000	1,584	1FE.....

QE04

### SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
3899999	Total - Bonds - Industrial and Miscellaneous.....					10,091,927	9,218,000	119,896	XXX
8399997	Total - Bonds - Part 3.....					42,275,954	39,523,000	298,668	XXX
8399999	Total - Bonds.....					42,275,954	39,523,000	298,668	XXX
9999999	Total - Bonds, Preferred and Common Stocks.....					42,275,954	XXX	298,668	XXX

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

## SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>																					
912828	SV 3 UNITED STATES TREASURY.....		03/01/2018	UBS FINANCIAL SERVICES INC.....		2,429,100	2,500,000	2,489,453	2,490,804		173		173		2,490,978		(61,878)	(61,878)	53,177	05/15/2022	1.....
0599999	Total - Bonds - U.S. Government.....					2,429,100	2,500,000	2,489,453	2,490,804	0	173	0	173	0	2,490,978	0	(61,878)	(61,878)	53,177	XXX	XXX
<b>Bonds - U.S. States, Territories and Possessions</b>																					
452152	F7 1 ILLINOIS ST.....		03/01/2018	VARIOUS.....		500,000	500,000	516,235	501,105		(1,105)		(1,105)		500,000				12,500	02/01/2018	2FE.....
1799999	Total - Bonds - U.S. States, Territories & Possessions.....					500,000	500,000	516,235	501,105	0	(1,105)	0	(1,105)	0	500,000	0	0	0	12,500	XXX	XXX
<b>Bonds - U.S. Political Subdivisions of States</b>																					
642713	5H 0 NEW BRITAIN CONN.....		03/01/2018	Call @ 100.00.....		450,000	450,000	459,851	451,180		(1,180)		(1,180)		450,000				6,750	03/01/2018	2FE.....
93978H	HF 5 WASHINGTON ST HEALTH CARE FACS AUTH REV		03/31/2018	Call @ 100.0.....									0						70	12/01/2019	1.....
93978H	HG 3 WASHINGTON ST HEALTH CARE FACS AUTH REV		03/31/2018	Call @ 100.0.....									0						96	12/01/2020	1.....
93978H	HH 1 WASHINGTON ST HEALTH CARE FACS AUTH REV		03/31/2018	Call @ 100.0.....									0						124	12/01/2021	1.....
2499999	Total - Bonds - U.S. Political Subdivisions of States.....					450,000	450,000	459,851	451,180	0	(1,180)	0	(1,180)	0	450,000	0	0	0	7,039	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																					
246348	FQ 4 DELAWARE RIV PORT AUTH PA & N J.....		03/01/2018	Maturity @ 100.0.....		585,000	585,000	610,951	585,000				0		585,000				14,625	01/01/2018	2FE.....
270618	DL 2 EAST BATON ROUGE LA SEW COMMN REV		03/20/2018	VARIOUS.....		980,000	980,000	975,100	978,369		591		591		978,960		1,040	1,040	4,616	02/01/2046	1FE.....
3133ED	ND 0 FEDERAL FARM CREDIT BANKS FUNDING CORP		03/01/2018	Maturity @ 100.0.....		2,000,000	2,000,000	2,000,000	2,000,000				0		2,000,000				12,000	01/11/2018	1.....
66285W	MS 2 NORTH TEX TWY AUTH REV.....		03/01/2018	RBC CAPITAL MARKETS, LLC.....		400,000	400,000	400,000	400,000				0		400,000				862	01/01/2049	1FE.....
902562	AP 2 UAB MEDICINE FIN AUTH ALA REV.....		03/01/2018	Adjustment.....									0						4,583	09/01/2030	1FE.....
97712D	VE 3 WISCONSIN ST HEALTH & EDL FACS AUTH REV		03/01/2018	VARIOUS.....									0						241	11/15/2038	1FE.....
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments.....					3,965,000	3,965,000	3,986,051	3,963,369	0	591	0	591	0	3,963,960	0	1,040	1,040	36,927	XXX	XXX
<b>Bonds - Industrial and Miscellaneous</b>																					
002824	AU 4 ABBOTT LABORATORIES.....		03/22/2018	VARIOUS.....		2,822,725	2,750,000	3,177,625	2,848,587		(17,145)		(17,145)		2,831,442		(81,442)	(81,442)	139,671	04/01/2019	2FE.....
00440E	AK 3 CHUBB INA HOLDINGS INC.....	C	03/15/2018	Maturity @ 100.00.....		500,000	500,000	552,244	504,437		(4,437)		(4,437)		500,000				14,500	03/15/2018	1FE.....
057224	AY 3 BAKER HUGHES INC.....		03/01/2018	VARIOUS.....		2,087,360	2,000,000	2,530,540	2,091,700		(2,604)		(2,604)		2,089,097		(89,097)	(89,097)	110,277	11/15/2018	1FE.....
149123	BQ 3 CATERPILLAR INC.....		03/01/2018	Call @ 106.431.....		96,465							0							12/15/2018	1FE.....
191216	AY 6 COCA-COLA CO.....		03/14/2018	Maturity @ 100.00.....		1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000				8,250	03/14/2018	1FE.....
260003	AH 1 DOVER CORP.....		03/15/2018	Maturity @ 100.00.....		300,000	300,000	340,302	302,311		(2,311)		(2,311)		300,000				8,175	03/15/2018	2FE.....
740189	AK 1 PRECISION CASTPARTS CORP.....		03/01/2018	Maturity @ 100.0.....		2,000,000	2,000,000	1,982,640	1,999,811		189		189		2,000,000				12,500	01/15/2018	1FE.....
931142	CJ 0 WAL-MART STORES INC.....		03/01/2018	VARIOUS.....		1,500,000	1,500,000	1,847,850	1,508,371		(8,371)		(8,371)		1,500,000				43,500	02/15/2018	1FE.....
3899999	Total - Bonds - Industrial and Miscellaneous.....					10,306,550	10,050,000	11,431,201	10,255,218	0	(34,679)	0	(34,679)	0	10,220,538	0	(170,538)	(170,538)	336,873	XXX	XXX
8399997	Total - Bonds - Part 4.....					17,650,650	17,465,000	18,882,790	17,661,676	0	(36,200)	0	(36,200)	0	17,625,476	0	(231,376)	(231,376)	446,516	XXX	XXX
8399999	Total - Bonds.....					17,650,650	17,465,000	18,882,790	17,661,676	0	(36,200)	0	(36,200)	0	17,625,476	0	(231,376)	(231,376)	446,516	XXX	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>																					
05971J	10 2 BANCORPSOUTH BANK ORD.....		01/01/2018	Stephens Inc.....									0						2,079	XXX	L.....
084670	70 2 BERKSHIRE HATHWAY CL B ORD.....		02/07/2018	MERRILL LYNCH PIERCE FENNER & SMITH INC.	31,000,000	6,255,225	XXX	1,736,071	6,144,820	(4,408,749)			(4,408,749)		1,736,071		4,519,154	4,519,154		XXX	L.....
219350	10 5 CORNING ORD.....		03/01/2018	MERRILL LYNCH PIERCE FENNER & SMITH INC.	102,000,000	2,957,113	XXX	1,310,771	3,262,980	(1,952,209)			(1,952,209)		1,310,771		1,646,342	1,646,342		XXX	L.....

QE05

### SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
303901 10 2	FAIRFAX FINANCIAL HOLDINGS ORD...		03/01/2018	CANTOR FITZGERALD & CO.....	8,000.000	4,328,138	XXX	3,047,698	4,242,720	(1,195,022)			(1,195,022)		3,047,698		1,280,440	1,280,440	70,680	XXX	U.....
58933Y 10 5	MERCK & CO ORD.....		02/23/2018	Stephens Inc.....	55,000.000	3,010,195	XXX	1,833,627	3,094,850	(1,261,223)			(1,261,223)		1,833,627		1,176,568	1,176,568	26,400	XXX	L.....
61945C 10 3	MOSAIC ORD.....		03/14/2018	UBS FINANCIAL SERVICES INC..	28,700.000	795,834	XXX	694,950	736,442	(41,492)			(41,492)		694,950		100,884	100,884		XXX	L.....
651639 10 6	NEWMONT MINING ORD.....		02/23/2018	UBS FINANCIAL SERVICES INC..	24,000.000	918,324	XXX	453,600	900,480	(446,880)			(446,880)		453,600		464,724	464,724		XXX	L.....
717081 10 3	PFIZER ORD.....		02/01/2018	UBS FINANCIAL SERVICES INC..	220,000.000	8,011,015	XXX	3,998,461	7,968,400	(3,969,939)			(3,969,939)		3,998,461		4,012,554	4,012,554		XXX	L.....
718546 10 4	PHILLIPS 66 ORD.....		02/22/2018	CANTOR FITZGERALD & CO.....	33,000.000	2,989,239	XXX	757,590	3,337,950	(2,580,360)			(2,580,360)		757,590		2,231,649	2,231,649		XXX	L.....
80105N 10 5	SANOFI ADR REP 1 1/2 ORD.....	C	03/15/2018	MERRILL LYNCH PIERCE FENNER & SMITH INC.	60,000.000	2,440,445	XXX	1,515,909	2,580,000	(1,064,091)			(1,064,091)		1,515,909		924,535	924,535		XXX	L.....
828730 20 0	SIMMONS FIRST NATIONAL CL A ORD..		03/01/2018	Stephens Inc.....			XXX			0			0					0	6,875	XXX	L.....
Y2106R 11 0	DORIAN LPG ORD.....		02/01/2018	Unknown.....	0.067	1	XXX	1	1	0			0		1		(0)	(0)		XXX	L.....
9099999	Total - Common Stocks - Industrial and Miscellaneous.....					31,705,529	XXX	15,348,680	32,268,643	(16,919,963)	0	0	(16,919,963)	0	15,348,680	0	16,356,850	16,356,850	106,034	XXX	XXX
<b>Common Stocks - Mutual Funds</b>																					
88018T 10 1	TEMPLETON DRAGON CF.....		03/01/2018	CANTOR FITZGERALD & CO.....	35,840.000	807,297	XXX	522,437	770,918	(248,481)			(248,481)		522,437		284,860	284,860	0	XXX	L.....
9299999	Total - Common Stocks - Mutual Funds.....					807,297	XXX	522,437	770,918	(248,481)	0	0	(248,481)	0	522,437	0	284,860	284,860	0	XXX	XXX
9799997	Total - Common Stocks - Part 4.....					32,512,826	XXX	15,871,117	33,039,562	(17,168,444)	0	0	(17,168,444)	0	15,871,117	0	16,641,709	16,641,709	106,034	XXX	XXX
9799999	Total - Common Stocks.....					32,512,826	XXX	15,871,117	33,039,562	(17,168,444)	0	0	(17,168,444)	0	15,871,117	0	16,641,709	16,641,709	106,034	XXX	XXX
9899999	Total - Preferred and Common Stocks.....					32,512,826	XXX	15,871,117	33,039,562	(17,168,444)	0	0	(17,168,444)	0	15,871,117	0	16,641,709	16,641,709	106,034	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks.....					50,163,476	XXX	34,753,906	50,701,237	(17,168,444)	(36,200)	0	(17,204,644)	0	33,496,593	0	16,410,333	16,410,333	552,550	XXX	XXX

QE05.1

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 1.

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

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

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

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

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

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

## SCHEDULE E - PART 1 - CASH

### Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
Bank of America..... Little Rock, AR.....								XXX
BAAA Claims.....					(211,868)	(3,408,011)	15,827,844	XXX
BAAA Operating.....					5,505,039	5,459,651	5,490,787	XXX
BAAA Refunds.....					343,666	270,972	379,831	XXX
Exchange Claims.....					(1,691,205)	(1,889,835)	(1,637,024)	XXX
FEP Basic Option EFT.....								XXX
FEP Standard Option EFT.....								XXX
GCPS Assigned EFT.....								XXX
General Acct.....					2,223,825	2,025,957	27,354,426	XXX
LTC CHCS.....					167,609	191,119	170,872	XXX
Med Adv ACH Prens.....					264,265	(104,405)	201,617	XXX
Med Adv Lockbox.....					(7)			XXX
Payroll Acct.....					30,474	(1,034,261)	30,474	XXX
PDP ACH Premiums.....					17,814	17,807	17,807	XXX
PDP Lockbox.....								XXX
USAM Claims.....					2,697,912	3,523,938	3,310,481	XXX
Walmart Claims.....					13,026,380	15,533,381	10,759,184	XXX
BC Regular Business Claims.....					(26,756)	(152,273)	(118,914)	XXX
Bank of America..... Vadalia, MO.....								XXX
Accounts Payable.....					(5,026,050)	(2,065,907)	(3,260,275)	XXX
GCPS Assigned.....					(50,448)	(42,024)	(32,749)	XXX
GCPS Unassigned.....					(395,462)	(351,750)	(659,260)	XXX
Premium Rebate Fund.....								XXX
Simmons First National Bank..... Pine Bluff, AR.....								XXX
ABCBS MMA DDA.....			24,531		7,028,347	7,028,347	7,044,531	XXX
Accts Payable EFT.....					(320)	(100)		XXX
BlueCard Claims.....					(173,412)	(177,394)	(140,436)	XXX
FEP Basic Option.....					(91,347)	(67,598)	(64,339)	XXX
FEP Investment.....					62,478	73,046	73,087	XXX
FEP Standard Option.....					(375,889)	(143,917)	(135,892)	XXX
Med Adv Claims.....								XXX
Medipak Assigned.....					(174,320)	(179,752)	(134,385)	XXX
Medipak Unassigned.....					(592,931)	(481,093)	(513,307)	XXX
Parent Acct.....					3,288,437	3,547,641	3,976,150	XXX
US Bank..... St. Louis, MO.....								XXX
Members Lockbox.....					4,320,586	9,366,050	458,991	XXX
Uninvested Cash.....					1,625	1,625	87,094	XXX
BanCorp..... Little Rock, AR.....								XXX
AR Works Rewards Collateral.....					25,000	25,000	25,000	XXX
0199998. Deposits in.....59 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories.....	XXX	XXX	1,788		2,380,000	2,380,000	2,380,000	XXX
0199999. Total Open Depositories.....	XXX	XXX	26,319	0	32,573,442	39,346,214	70,891,595	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	26,319	0	32,573,442	39,346,214	70,891,595	XXX
0499999. Cash in Company's Office.....	XXX	XXX	XXX	XXX	6,772	6,772	6,772	XXX
0599999. Total Cash.....	XXX	XXX	26,319	0	32,580,214	39,352,986	70,898,367	XXX

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<b>U.S. Government Bonds - Issuer Obligations</b>								
	UNITED STATES TREASURY.....		03/22/2018.....		06/14/2018.....	3,986,433		1,833
0199999	U.S. Government Bonds - Issuer Obligations.....					3,986,433	.0	1,833
0599999	Total - U.S. Government Bonds.....					3,986,433	.0	1,833
<b>Total Bonds</b>								
7799999	Subtotals - Issuer Obligations.....					3,986,433	.0	1,833
8399999	Subtotals - Bonds.....					3,986,433	.0	1,833
<b>Exempt Money Market Mutual Funds as Identified by the SVO</b>								
	FIDELITY IMM:GOVT;III.....		02/08/2018.....	1.250		106,500	.102	.240
	FEDERATED TREAS OBL;INST.....		03/29/2018.....	1.560		32,559,852	94,240	2,415
8599999	Total - Exempt Money Market Mutual Funds as Identified by the SVO.....					32,666,352	94,343	2,655
8899999	Total - Cash Equivalents.....					36,652,785	94,343	4,488

QE13



**MEDICARE PART D COVERAGE SUPPLEMENT**

(Net of Reinsurance)

NAIC Group Code.....876

NAIC Company Code.....83470

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums collected.....	11,178,125	.XXX	713,214	.XXX	11,891,339
2. Earned premiums.....	7,532,726	.XXX	579,402	.XXX	.XXX
3. Claims paid.....	8,757,798	.XXX	811,200	.XXX	9,568,998
4. Claims incurred.....	9,358,741	.XXX	784,193	.XXX	.XXX
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a).....	.XXX	3,328,879	.XXX	406,456	3,735,335
6. Aggregate policy reserves - change.....		.XXX		.XXX	.XXX
7. Expenses paid.....	1,521,016	.XXX	114,966	.XXX	1,635,982
8. Expenses incurred.....	1,546,762	.XXX	93,472	.XXX	.XXX
9. Underwriting gain or loss.....	(3,372,777)	.XXX	(298,263)	.XXX	.XXX
10. Cash flow results.....	.XXX	.XXX	.XXX	.XXX	(3,048,976)

(a) Uninsured Receivable/Payable with CMS at End of Quarter \$......0 due from CMS or \$......3,897,407 due to CMS.