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HEALTH QUARTERLY STATEMENT

As of September 30, 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 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	601 S. Gaines .. Little Rock .. AR .. US .. 72201 *(Street and Number) (City or Town, State, Country and Zip Code)*	501-378-2000 *(Area Code) (Telephone Number)*
Mail Address	601 S. Gaines .. Little Rock .. AR .. US .. 72201 *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	601 S. Gaines .. Little Rock .. AR .. US .. 72201 *(Street and Number) (City or Town, State, Country and Zip Code)*	501-378-2000 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.arkansasbluecross.com	
Statutory Statement Contact	Scott Bradley Winter *(Name)*	501-399-3951 *(Area Code) (Telephone Number) (Extension)*
	sbwinter@arkbluecross.com *(E-Mail Address)*	501-378-3258 *(Fax Number)*

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

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

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)	(Signature)	(Signature)
Curtis Edwin Barnett	Calvin Eugene Kellogg	Gray Donald Dillard
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President / CEO	EVP / Chief Strategy Officer	Treasurer / CFO
(Title)	(Title)	(Title)

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 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Prior Year Net Admitted Assets
1. Bonds	679,896,229		679,896,229	602,697,042
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	233,166,228		233,166,228	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)	51,545,556		51,545,556	48,733,751
4.2 Properties held for the production of income (less $.....0 encumbrances)	6,815,466		6,815,466	7,073,975
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....61,726,333), cash equivalents ($.....27,842,933) and short-term investments ($.....99,178,372)	188,747,638		188,747,638	180,278,560
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets	206,697,553		206,697,553	137,348,223
9. Receivables for securities	1,980,505		1,980,505	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	3,453,060	0	3,453,060	3,516,367
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,372,302,234	0	1,372,302,234	1,246,036,328
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	5,432,779		5,432,779	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 $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($.....138,103,530) and contracts subject to redetermination ($.....23,307,629)	161,411,159	2,790,643	158,620,516	180,806,581
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,841,812		3,841,812	9,942,321
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	67,283,728	589,146	66,694,582	69,398,080
18.1 Current federal and foreign income tax recoverable and interest thereon	14,005,140		14,005,140	8,478,760
18.2 Net deferred tax asset	54,843,112	31,014,588	23,828,524	29,045,723
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	15,426,678	8,322,256	7,104,422	8,693,596
21. Furniture and equipment, including health care delivery assets ($.....0)	26,103,135	26,103,135	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	16,400,415	1,980,942	14,419,473	13,189,918
24. Health care ($.....26,936,237) and other amounts receivable	49,097,727	7,314,908	41,782,819	49,743,584
25. Aggregate write-ins for other than invested assets	82,382,280	39,008,085	43,374,195	44,356,083
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	1,868,530,201	117,123,705	1,751,406,496	1,664,542,460
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	1,868,530,201	117,123,705	1,751,406,496	1,664,542,460

DETAILS OF WRITE-INS

1101. Deposits with National Accounts	3,453,060		3,453,060	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)	3,453,060	0	3,453,060	3,516,367
2501. Supplemental Savings Plan	43,041,831		43,041,831	44,023,719
2502. Other Assets	332,364		332,364	332,364
2503. Other Non-Admitted Assets	39,008,085	39,008,085	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)	82,382,280	39,008,085	43,374,195	44,356,083

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	Current Period 2 Uncovered	Current Period 3 Total	Prior Year 4 Total
1. Claims unpaid (less $.....5,827,872 reinsurance ceded)	217,831,477	674,460	218,505,937	225,461,260
2. Accrued medical incentive pool and bonus amounts	3,768,098		3,768,098	3,980,682
3. Unpaid claims adjustment expenses	5,371,345		5,371,345	6,102,438
4. Aggregate health policy reserves, including the liability of $.....2,197,458 for medical loss ratio rebate per the Public Health Service Act	137,142,239		137,142,239	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	29,362,341		29,362,341	36,011,243
9. General expenses due or accrued	313,027,854		313,027,854	258,290,478
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable	4,433,581		4,433,581	3,841,956
12. Amounts withheld or retained for the account of others	47,819,156		47,819,156	50,142,293
13. Remittances and items not allocated	1,185,585		1,185,585	200,538
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	112,488		112,488	796,192
16. Derivatives			0	
17. Payable for securities			0	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties with ($.....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	65,446,628		65,446,628	55,184,343
23. Aggregate write-ins for other liabilities (including $.....0 current)	22,054,928	0	22,054,928	20,141,327
24. Total liabilities (Lines 1 to 23)	847,555,721	674,460	848,230,181	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	903,176,315	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	903,176,315	866,336,545
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	1,751,406,496	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	2,437,243		2,437,243	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)	22,054,928	0	22,054,928	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	5,863,904	6,093,591	8,147,024
2. Net premium income (including $.....0 non-health premium income)	XXX	1,882,733,779	1,883,036,480	2,527,134,174
3. Change in unearned premium reserves and reserve for rate credits	XXX	(1,188,407)	(4,152,201)	(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	1,881,545,372	1,878,884,279	2,523,712,982
Hospital and Medical:				
9. Hospital/medical benefits		839,355,585	879,271,292	1,185,779,837
10. Other professional services		31,641,325	31,237,832	41,460,681
11. Outside referrals		21,362,501		
12. Emergency room and out-of-area		188,350,295	274,604,173	366,612,317
13. Prescription drugs		377,432,070	414,332,287	558,588,863
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		8,483,886	10,243,981	12,810,635
16. Subtotal (Lines 9 to 15)	0	1,466,625,663	1,609,689,565	2,165,252,334
Less:				
17. Net reinsurance recoveries		(39,366,256)	(33,529,659)	(51,679,047)
18. Total hospital and medical (Lines 16 minus 17)	0	1,505,991,919	1,643,219,224	2,216,931,381
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....7,660,871 cost containment expenses		96,416,164	57,576,024	91,513,500
21. General administrative expenses		222,363,927	156,461,241	208,983,349
22. Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)		(1,621,449)	(632,742)	(860,552)
23. Total underwriting deductions (Lines 18 through 22)	0	1,823,150,560	1,856,623,747	2,516,567,678
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	58,394,811	22,260,532	7,145,304
25. Net investment income earned		17,595,869	11,883,346	16,457,361
26. Net realized capital gains (losses) less capital gains tax of $.....3,569,653		12,696,053	(296,657)	7,705,335
27. Net investment gains or (losses) (Lines 25 plus 26)	0	30,291,922	11,586,689	24,162,696
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]				
29. Aggregate write-ins for other income or expenses	0	692,114	624,371	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	89,378,847	34,471,593	32,616,130
31. Federal and foreign income taxes incurred	XXX	30,904,771	8,135,754	1,949,765
32. Net income (loss) (Lines 30 minus 31)	XXX	58,474,076	26,335,839	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		692,964	625,371	1,309,130
2902. State Tax Expense		(850)	(1,000)	(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	692,114	624,371	1,308,130

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year	866,336,545	842,782,354	842,782,354
34. Net income or (loss) from Line 32	58,474,076	26,335,839	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	(4,287,499)	15,194,686	20,642,883
37. Change in net unrealized foreign exchange capital gain or (loss)		(21,464)	(21,464)
38. Change in net deferred income tax	5,324,581	(3,462,013)	(37,106,280)
39. Change in nonadmitted assets	(23,173,105)	(2,985,448)	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	501,718	472,884	599,578
48. Net change in capital and surplus (Lines 34 to 47)	36,839,771	35,534,483	23,554,191
49. Capital and surplus end of reporting period (Line 33 plus 48)	903,176,316	878,316,837	866,336,545

DETAILS OF WRITE-INS

4701. Capital Lease Adjustment	501,718	467,277	599,578
4702. EDP Depreciation Adj from 5 to 3 years		5,607	
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)	501,718	472,884	599,578

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	1,896,504,586	1,903,102,003	2,497,719,680
2. Net investment income	23,859,094	19,463,204	22,465,105
3. Miscellaneous income			
4. Total (Lines 1 through 3)	1,920,363,680	1,922,565,207	2,520,184,785
5. Benefit and loss related payments	1,490,349,180	1,659,160,933	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	248,457,507	234,105,044	310,813,670
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	40,000,804	(1,458,026)	(2,786,085)
10. Total (Lines 5 through 9)	1,778,807,492	1,891,807,951	2,526,582,919
11. Net cash from operations (Line 4 minus Line 10)	141,556,188	30,757,255	(6,398,134)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	219,868,267	57,330,974	367,946,543
12.2 Stocks	40,682,671	2,560,003	32,922,138
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets		455,939	1,001,316
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			(11,439)
12.7 Miscellaneous proceeds	63,308		4,302,192
12.8 Total investment proceeds (Lines 12.1 to 12.7)	260,614,245	60,346,916	406,160,751
13. Cost of investments acquired (long-term only):			
13.1 Bonds	302,303,005	84,772,978	384,168,025
13.2 Stocks	2,391,406	26,069,128	7,577,327
13.3 Mortgage loans			
13.4 Real estate	7,205,822	4,208,986	7,801,603
13.5 Other invested assets	63,000,000	20,577,069	41,001,316
13.6 Miscellaneous applications	1,980,505	20,753,811	47,621
13.7 Total investments acquired (Lines 13.1 to 13.6)	376,880,738	156,381,972	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)	(116,266,492)	(96,035,056)	(34,435,142)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(16,820,618)	(8,997,623)	(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)	(16,820,618)	(8,997,623)	(11,295,919)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	8,469,078	(74,275,424)	(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)	188,747,636	158,132,330	180,278,558

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

20.0001			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	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	651,520	225,448	134,030	119,876	28,674	52,268	66,271	12,787		12,166
4. Third Quarter	637,685	213,556	131,932	119,979	28,958	52,025	65,996	12,656		12,583
5. Current Year	0									
6. Current Year Member Months	5,863,904	2,020,867	1,210,566	1,079,857	257,038	471,651	598,381	115,832		109,712
Total Member Ambulatory Encounters for Period:										
7. Physician	2,887,515	263,198	230,623	2,081,984		311,710				
8. Non-Physician	3,498,369	622,776	1,023,265	1,852,328						
9. Total	6,385,884	885,974	1,253,888	3,934,312	0	311,710	0	0	0	0
10. Hospital Patient Days Incurred	3,152,762	344,810	955,624	1,852,328						
11. Number of Inpatient Admissions	31,110	746	5,063	25,301						
12. Health Premiums Written (a)	1,842,767,579	829,261,446	441,086,341	199,009,504	5,028,492	37,013,999	201,620,151	104,924,051		24,823,594
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	1,841,579,172	831,239,177	441,090,095	198,953,808	5,028,492	37,060,625	198,458,159	104,924,051		24,824,765
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	1,455,239,634	611,291,537	361,857,159	163,990,808	3,394,664	26,344,645	175,624,387	87,678,972		25,057,462
18. Amount Incurred for Provision of Health Care Services	1,466,625,663	634,552,447	354,257,154	163,651,233	3,348,801	26,339,645	175,445,551	84,583,014		24,447,818

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....104,924,051.

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
	47,926,514	884,776	666,783	557,684		50,035,757
0199999. Individually Listed Claims Unpaid	47,926,514	884,776	666,783	557,684	0	50,035,757
0499999. Subtotals	47,926,514	884,776	666,783	557,684	0	50,035,757
0599999. Unreported Claims and Other Claim Reserves						174,298,052
0799999. Total Claims Unpaid						224,333,809
0899999. Accrued Medical Incentive Pool and Bonus Amounts						3,768,098

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	112,448,815	939,220,724	2,911,919	157,241,358	115,360,734	162,175,121
2. Medicare Supplement	17,581,234	146,409,574	364,887	19,585,113	17,946,121	20,295,450
3. Dental only	1,311,217	25,033,428	22,252	1,515,748	1,333,469	1,543,000
4. Vision only		3,394,664			0	45,863
5. Federal Employees Health Benefits Plan	16,181,524	158,636,718	547,416	16,595,273	16,728,940	17,102,335
6. Title XVIII - Medicare	16,678,998	69,449,765	439,045	13,742,759	17,118,043	16,975,376
7. Title XIX - Medicaid					0	
8. Other health	433,044	24,619,888	160,437	5,379,729	593,481	7,324,115
9. Health subtotal (Lines 1 to 8)	164,634,832	1,366,764,761	4,445,956	214,059,980	169,080,788	225,461,260
10. Healthcare receivables (a)		26,936,237			0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	1,646,674	7,049,797		3,768,098	1,646,674	3,980,682
13. Totals (Lines 9-10+11+12)	166,281,506	1,346,878,321	4,445,956	217,828,078	170,727,462	229,441,942

(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
NET INCOME					
(1) USAble Mutual Insurance Company Company state basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	$ 58,474,076	$ 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	$ 58,474,076	$ 30,666,365
SURPLUS					
(5) USAble Mutual Insurance Company Company state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	$903,176,315	$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	$903,176,315	$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 polices. 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 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

For the period ending September 30, 2018 management has evaluated the Company's ability to continue as a going concern. Management has concluded that there is not substantial doubt that the Company can continue as a going concern, therefore, there are no policies in place to alleviate such situations.

For the period ending September 30, 2018 management has evaluated the Company's ability to continue as a going concern. Management has concluded that there is not substantial doubt that the Company can continue as a going concern, therefore, there are no policies in place to alleviate such situations.

Note 2 – Accounting Changes and Corrections of Errors

No significant changes

Note 3 – Business Combinations and Goodwill

No significant changes

Note 4 – Discontinued Operations

No significant changes

Note 5 – Investments

D. Loan-Backed Securities

(1) Description of Sources Used to Determined Prepayment Assumptions

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

(2) Other-Than-Temporary Impairments

Not Applicable

(3) Recognized OTTI securities

Not Applicable

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

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	$ 1,707,746.07 1,707,746
	2. 12 Months or Longer	$ 13,468.3913,468
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	$ 111,566,145.85 111,566,146
	2. 12 Months or Longer	$ 1,043,670 1,043,670

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

Not Applicable

E. Dollar Repurchase Agreements and/or Securities Lending Transactionns

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 these Contracts and the Premium Cost Due in Each of the Following Four Years

Not Applicable

Note 9: Income Taxes

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

1.

	09/30/18		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	79,605,005	846,985	80,451,990
(b) Statutory Valuation Allowance Adjustment	1,522,500	0	1,522,500
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	78,082,505	846,985	78,929,490
(d) Deferred Tax Assets Nonadmitted	31,014,588	0	31,014,588
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	47,067,917	846,985	47,914,902
(f) Deferred Tax Liabilities	706,020	23,380,358	24,086,378
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	46,361,897	(22,533,373)	23,828,524

	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

NOTES TO FINANCIAL STATEMENTS

(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
(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	6,818,114	(1,533)	6,816,582
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	6,818,114	(1,533)	6,816,582
(d) Deferred Tax Assets Nonadmitted	14,345,410	0	14,345,410
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	(7,527,296)	(1,533)	(7,528,829)
(f) Deferred Tax Liabilities	(9,171)	(2,302,459)	(2,311,631)
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	(7,518,125)	2,300,927	(5,217,198)

2.

	09/30/18		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components - SSAP 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	20,355,343	0	20,355,343
(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)	3,473,182	0	3,473,182
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	3,473,182	0	3,473,182
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	3,473,182	0	3,473,182
(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	23,239,393	846,985	24,086,378
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	47,067,917	846,985	47,914,902

	12/31/17		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components - SSAP 101			
(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

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
Admission Calculation Components - SSAP 101			

NOTES TO FINANCIAL STATEMENTS

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	(3,516,813)	0	(3,516,813)
(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)	(1,700,386)	0	(1,700,386)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	(1,700,386)	0	(1,700,386)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	(1,700,386)	0	(1,700,386)
(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	(2,310,097)	(1,533)	(2,311,630)
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	(7,527,296)	(1,533)	(7,528,829)

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	753,366,648	771,028,049

4.

	09/30/18		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Impact of Tax Planning Strategies			
1. Adjusted Gross DTAa Amount From Note 9A1(c)	78,082,505	846,985	78,929,490
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)	47,067,917	846,985	47,914,902
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
Impact of Tax Planning Strategies			
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%

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
Impact of Tax Planning Strategies			
1. Adjusted Gross DTAa Amount From Note 9A1(c)	6,818,114	(1,533)	6,816,582
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)	(7,527,296)	(1,533)	(7,528,829)
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:

NOTES TO FINANCIAL STATEMENTS

Not applicable

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

1. Current Income Tax:

	(1) 09/30/18	(2) 12/31/17	(3) (Col 1-2) Change
(a) Federal	33,603,456	5,330,009	28,273,447
(b) Foreign	-	-	-
(c) Subtotal	33,603,456	5,330,009	28,273,447
(d) Federal Income Tax on net capital gains	3,569,653	(3,457,325)	7,026,978
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	(2,698,686)	(3,380,244)	681,558
(g) Federal & Foreign income tax incurred	34,474,424	(1,507,560)	35,981,984

0

2. Deferred Tax Assets:

	(1) 09/30/18	(2) 12/31/17	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	445,192	716,725	(271,533)
(2) Unearned premium reserves	-	-	-
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred Acquistion Costs	506,256	5,368,619	(4,862,363)
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	4,251,594	4,580,027	(328,433)
(8) Compensation and benefits accrual	43,064,404	43,291,977	(227,573)
(9) Pension accrual	-	-	-
(10)Receivables - nonadmitted	13,378,984	11,952,713	1,426,272
(11)Net operating loss carry-forward	-	-	-
(12)Tax credit carry-forward	3,473,182	5,008,105	(1,534,924)
(13)Other	14,485,392	1,868,725	12,616,667
(99) Subtotal - Ordinary	79,605,005	72,786,891	6,818,114
(b) Statutory valuation allowance adjustment	1,522,500	1,522,500	-
(c) Nonadmitted - Ordinary	31,014,588	16,669,178	14,345,410
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	47,067,917	54,595,213	(7,527,296)
(e) Capital:			
(1) Investments	846,985	848,518	(1,533)
(2) Net capital loss carry-forward	-	-	-

NOTES TO FINANCIAL STATEMENTS

(3) Real estate	-	-	-
(4) Other	-	-	-
(99) Subtotal - Capital	846,985	848,518	(1,533)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted - Capital	-	-	-
(h) Admitted capital deferred tax assets (2a99-2b-2c)	846,985	848,518	(1,533)
(i) Admitted deferred tax assets (2d + 2h)	47,914,902	55,443,731	(7,528,829)

3. Deferred Tax Liabilities:

	(1) 09/30/18	(2) 12/31/17	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Investments	142,659	151,830	(9,171)
(2) Fixed Assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	563,361	563,361	-
(99) Subtotal - Ordinary	706,020	715,191	(9,171)
(b) Capital:			
(1) Investments	23,380,358	25,682,817	(2,302,459)
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal - Capital	23,380,358	25,682,817	(2,302,459)
(c) Deferred tax liabilities (3a99 + 3b99h)	24,086,378	26,398,009	(2,311,631)

4. Net Deferred Tax Assets/Liabilities (2i - 3c)	23,828,524	29,045,722	(5,217,198)

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

	09/30/18	
	Amounts	Effective Tax Rate %
Permanent Differences:		
Provision computed at statutory rate	19,519,185	21.0%
Proration of tax exempt income	82,744	0.1%
Tax exempt income deduction	(196,869)	-0.2%
Dividends received deduction	(134,108)	-0.1%
Disallowed travel and entertainment	64,634	0.1%
Other permanent differences	9,735,095	10.5%
Temporary Differences:		
Total ordinary DTAs	0	0.0%
Total ordinary DTLs	0	0.0%

NOTES TO FINANCIAL STATEMENTS

Total capital DTAs	0	0.0%
Total capital DTLs	0	0.0%
Other:		
Statutory valuation allowance adjustment	0	0.0%
Accrual adjustment - prior year	15,467	0.0%
Other	63,695	0.1%
Totals	29,149,842	31.4%
Federal and foreign income taxes incurred	30,904,770	33.2%
Realized capital gains/(losses) tax	3,569,653	3.8%
Change in net deferred income taxes	(5,324,582)	-5.7%
Total statutory income taxes	29,149,842	31.4%

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.

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.

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

During calendar year 2018 USAble Corporation's investment in Arkansas Advanced Care has been dissolved as a result of the decision to cease operations of Arkansas Advanced Care.

Note 11 – Debt

B. FHLB (Federal Home Loan Bank) Agreements

Not Applicable

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

A. Defined Benefit Plan

NOTES TO FINANCIAL STATEMENTS

(4) Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2018	2017	2018	2017	2018	2017
a. Service cost	$	$	$ 627,000	$ 950,000	$	$
b. Interest cost			4,040,250	6,170,000		
c. Expected return on plan assets						
d. Transition asset or obligation						
e. Gains and losses			(1,960,500)	(2,614,000)		
f. Prior service cost or credit			408,000	1,193,000		
g. Gain or loss recognized due to a settlement curtailment						
h. Total net periodic benefit cost	$	$	$ 3,114,750	$ 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

Not Applicable

C. Wash Sales

Not Applicable

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

No significant changes

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

No significant changes

Note 20 – Fair Value Measurements

A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
Assets at Fair Value					
Bonds	$	$	$	$	$
Industrial and Misc.	$	$ 628,358	$	$ 628,358	$
Common Stock	$	$	$	$	$
Industrial and Misc.	$ 52,468,967	$ 10,756,530	$	$ 63,225,497	$
Mutual Fund	$	$	$	$	$
Parent, Subsidiaries, and Affiliates	$	$	$ 169,940,731	$ 169,940,731	$
Total	$ 52,468,967	$ 11,384,889	$ 169,940,731	$ 233,794,586	$
Liabilities at Fair Value					
	$	$	$	$	$
Total	$	$	$	$	$

NOTES TO FINANCIAL STATEMENTS

(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	Settle-ments	Ending Balance at 12/31/2018
a. Assets										
Parent, Subsidiaries and Affiliates	$ 167,299,501	$	$	$	$ 2,641,230	$	$	$	$	$ 169,940,731
Total	$ 167,299,501	$	$	$	$ 2,641,230	$	$	$	$	$ 169,940,731
b. Liabilities										
	$	$	$	$	$	$	$	$	$	$
Total	$	$	$	$	$	$	$	$	$	$

(3) Policies when Transfers Between Levels are Recognized

Not Applicable

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

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

(5) Fair Value Disclosures

Not Applicable

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

Not Applicable

C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Bonds	$ 628,358	$ 628,358	$	$ 628,358	$	$	$
Common Stock	$ 233,166,228	$ 233,166,228	$ 52,468,967	$ 10,756,530	$ 169,940,731	$	$

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
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	$ 20,903,376
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	$
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool payments)	$
Operations (Revenue & Expenses)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	$ (7,294,694)

NOTES TO FINANCIAL STATEMENTS

a. Permanent ACA Risk Adjustment Program	AMOUNT
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	$ 334,380

b. Transitional ACA Reinsurance Program	AMOUNT
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	$
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	$
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	$
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	$
5. Ceded reinsurance premiums payable due to ACA Reinsurance	$
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	$
Operations (Revenue & Expenses)	
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
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	$
Liabilities	
3. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	$
Operations (Revenue & Expenses)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	$
4. Effect of ACA Risk Corridors on change in reserves for rate credits	$

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

	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		0	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high risk pool payments)	$ 27,164,178	$	$	$ 832,423	$ 27,164,178	$ (832,423)	$ 201,434	$ 7,294,694	A	$ 27,365,612	$ 6,462,271
2. Premium adjustments (payable) (including high risk pool payments)									B		
3. Subtotal ACA Permanent Risk Adjustment Program	$ 27,164,178	$	$	$ 832,423	$ 27,164,178	$ (832,423)	$ 201,434	$ 7,294,694		$ 27,365,612	$ 6,462,271
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	$	$	$	$	$	$	$	$		$	$

NOTES TO FINANCIAL STATEMENTS

	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	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		0	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
d. Total for ACA Risk Sharing Provisions	$ 33,437,179	$	$ 6,092,819	$ 832,423	$ 27,344,360	$ (832,423)	$ 201,434	$ 7,294,694		$ 27,545,794	$ 6,462,271

Explanations of Adjustments

A. Adjustement for 2017 actual

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	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	$	$	$	$	$	$	$	$	A	$	$
2. Reserve for rate credits for policy experience rating refunds	$	$	$	$	$	$	$	$	B	$	$
b. 2015											
1. Accrued retrospective premium	$	$	$	$	$	$	$	$	C	$	$
2. Reserve for rate credits for policy experience rating refunds	$	$	$	$	$	$	$	$	D	$	$
c. 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

Reserves as of December 31, 2017 were $225,461,259 which includes $50,574,032 of due and unpaid claims. As of September 30, 2018, $164,634,831 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $4,445,956 as a result of re-estimation of unpaid claims and claim adjustment expenses.Therefore, there has been a $5,806,440 favorable prior-year development since December 31, 2017 to September 30, 2018. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

12/31/2017 Reserves	$ 225,461,259	(includes Due and Unpaid)
2017 Claims paid in 2018	(164,634,831)	

NOTES TO FINANCIAL STATEMENTS

2017 Claims Due and Unpaid	(50,574,032)
Adjusted Net Reserves	$ 10,252,396
2017 Remaining Reserves @ 12/31/18	4,445,956
Favorable Development	$ 5,806,440

B. Information about Significant Changes in Methodologies and Assumptions

No significant change

Note 26 – Intercompany Pooling Arrangements

No significant changes

Note 27 – Structured Settlements

Not Applicable for Health Companies

Note 28 – Health Care Receivables

No significant changes

Note 29 – Participating Policies

No significant changes

Note 30 – Premium Deficiency Reserves

No significant changes

Note 31 – Anticipated Salvage and Subrogation

No significant changes

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [X]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

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 [X] 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 [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 0

13. Amount of real estate and mortgages held in short-term investments: $ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] 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	169,940,731
14.24	Short-Term Investments	0	0
14.25	Mortgage Loans on Real Estate	0	0
14.26	All Other	94,978,028	96,993,684
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 262,389,956	$ 266,934,415
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 [X]

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 [X] 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 [X]

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
Grey D. Dillard	I
Martingale Asset Management, LP	U
Barings, LLC	U
Pacific Investment Management Company LLC	U

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [X] 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 [X] 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
108526	Martingale Asset Management, LP	549300GXM5ZGZJXZ1Y74	SEC	NO

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
106006	Barings, LLC	ANDKRHQKPRRG4Q2KLR05	SEC, CFTC, NFA	NO
104559	Pacific Investment Management Company LLC	549300KGPYQZXGMYYN38	SEC	NO

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] 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 [X]

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1. Operating Percentages:
   - 1.1 A&H loss percent ..... 80.3 %
   - 1.2 A&H cost containment percent ..... 0.4 %
   - 1.3 A&H expense percent excluding cost containment expenses ..... 16.5 %

2.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [X]

2.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0

2.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [X]

2.4 If yes, please provide the 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 [X] No [ ]

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 [ ] No [ ]

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

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status (a)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	L	1,519,892,937	104,924,051		201,620,151			1,826,437,140	
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	16,330,440						16,330,440	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	1,536,223,377	104,924,051	0	201,620,151	0	0	1,842,767,579	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	XXX	1,536,223,377	104,924,051	0	201,620,151	0	0	1,842,767,579	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

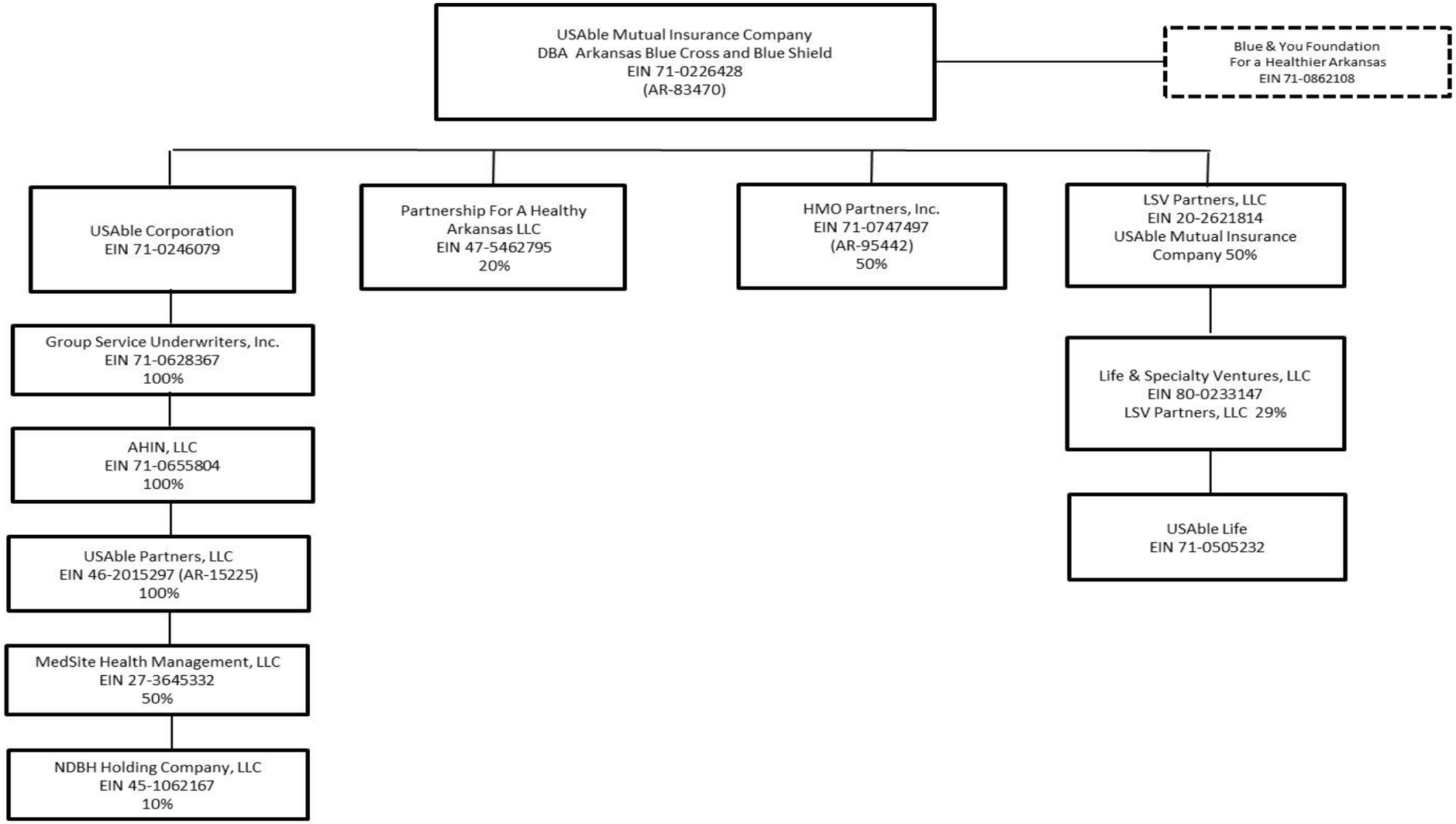
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state 0

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 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 Is an SCA Filing Required? (Y/N)	16 *
Members															
0876	USAble Mutual Insurance Company	83470	71-0226428				USAble Mutual Insurance Company	AR		USAble Mutual Insurance Company	Board		USAble Mutual Insurance Company	N	
0876	USAble Mutual Insurance Company		71-0862108				Blue & You Foundation	AR	NIA	USAble Mutual Insurance Company	Ownership, Board, Influence		USAble Mutual Insurance Company	N	
0876	USAble Mutual Insurance Company		71-0246079				USAble Corporation	AR	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	100.000	USAble Mutual Insurance Company	Y	
0876	USAble Mutual Insurance Company		47-5462795				Partnership for a Health Arkansas LLC	AR	DS	USAble Mutual Insurance Company	Ownership, Influence, Board	20.000	USAble Mutual Insurance Company	N	
0876	USAble Mutual Insurance Company	95442	71-0747497				HMO Partners, Inc	AR	DS	USAble Mutual Insurance Company	Ownership, Board, Influence	50.000	USAble Mutual Insurance Company	N	
0876	USAble Mutual Insurance Company		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	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.

Bar Code:

Overflow Page for Write-Ins

NONE

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	7,205,822	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	4,652,524	5,430,933
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	58,361,023	55,807,725
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	58,361,023	55,807,725

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	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

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	63,200,000	1,001,316
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	6,149,330	11,234,920
6. Total gain (loss) on disposals	0	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)	206,697,553	137,348,223
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	206,697,553	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	869,085,451	871,387,445
2. Cost of bonds and stocks acquired	304,694,411	391,745,352
3. Accrual of discount	381,170	404,452
4. Unrealized valuation increase (decrease)	(14,580,992)	7,949,208
5. Total gain (loss) on disposals	17,250,124	4,546,731
6. Deduct consideration for bonds and stocks disposed of	260,550,938	401,493,130
7. Deduct amortization of premium	3,631,002	6,609,169
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	414,232	
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	913,062,456	869,085,451
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	913,062,456	869,085,451

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	739,187,147	127,458,489	158,816,413	1,748,142	641,595,318	739,187,147	709,577,365	615,288,167
2. NAIC 2 (a)	70,369,548	2,822,325	2,380,000	(1,942,996)	83,253,925	70,369,548	68,868,877	83,142,649
3. NAIC 3 (a)	621,530			6,829	6,488,842	621,530	628,358	7,002,450
4. NAIC 4 (a)							0	
5. NAIC 5 (a)							0	
6. NAIC 6 (a)							0	
7. Total Bonds	810,178,225	130,280,814	161,196,413	(188,025)	731,338,085	810,178,225	779,074,601	705,433,266
PREFERRED STOCK								
8. NAIC 1							0	
9. NAIC 2							0	
10. NAIC 3							0	
11. NAIC 4							0	
12. NAIC 5							0	
13. NAIC 6							0	
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	810,178,225	130,280,814	161,196,413	(188,025)	731,338,085	810,178,225	779,074,601	705,433,266

(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 $.....99,178,372; 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	99,178,372	XXX	98,862,434	484,375	524,018

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	232,558,741	157,550,494
3. Accrual of discount	1,015,766	182,868
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(17,569)	(11,439)
6. Deduct consideration received on disposals	187,125,911	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)	99,178,372	52,747,346
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	99,178,372	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	88,757,987	
2. Cost of cash equivalents acquired	1,622,644,157	1,837,072,861
3. Accrual of discount	42,071	44,126
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(106)	
6. Deduct consideration received on disposals	1,683,601,175	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)	27,842,933	88,757,987
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	27,842,933	88,757,987

SCHEDULE A - PART 2

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

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Acquired by Purchase								
Main Building Improvements	Little Rock	AR	Various	Improvements				2,269,651
USACC Improvements: BCBS portion	Little Rock	AR	Various	Improvements				13,508
0199999. Totals					0	0	0	2,283,159
0399999. Totals					0	0	0	2,283,159

QE01

SCHEDULE A - PART 3

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

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred

NONE

SCHEDULE B - PART 2

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

1	Location		4	5	6	7	8	9
	2	3						
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

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8 + 9 - 10 + 11)	Total Foreign Exchange Change in Book Value	Book Value / Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal

NONE

SCHEDULE BA - PART 2

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

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made after Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated												
97MSCM												
1999999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated								0	0	0	0	XXX
4499999. Subtotal - Unaffiliated								0	0	0	0	XXX
4699999. Totals								0	0	0	0	XXX

QE03

SCHEDULE BA - PART 3

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

1	2	Location		5	6	7	8	Changes in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income

NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
912828 4X 5	UNITED STATES TREASURY		09/21/2018	8122		9,708,125	9,800,000	18,612	1
912828 VM 9	UNITED STATES TREASURY		09/01/2018	VARIOUS			634,809		1
912828 WU 0	UNITED STATES TREASURY		09/01/2018	MERRILL LYNCH PIERCE FENNER & SMITH INC			231,250		1
912828 XY 1	UNITED STATES TREASURY		07/20/2018	DEUTSCHE BANK SECURITIES, INC		12,777,500	12,800,000	20,870	1
912828 Y6 1	UNITED STATES TREASURY		07/31/2018	BARCLAYS CAPITAL INC		7,964,063	8,000,000	598	1
0599999.	Total - Bonds - U.S. Government					30,449,688	31,466,059	40,079	XXX
Bonds - U.S. Political Subdivisions of States									
108152 DE 6	BRIDGEPORT CONN		08/17/2018	Unknown		153,437	140,000	39	1FE
108152 DH 9	BRIDGEPORT CONN		08/17/2018	Unknown		394,552	360,000	100	1FE
265138 HT 7	DUNCANVILLE TEX INDPT SCH DIST		09/05/2018	STIFEL NICOLAUS & COMPANY INC		1,305,438	1,255,000	3,068	1FE
2499999.	Total - Bonds - U.S. Political Subdivisions of States					1,853,427	1,755,000	3,207	XXX
Bonds - U.S. Special Revenue and Special Assessment									
3128MJ 5B 2	FH G08841 - RMBS		09/17/2018	CITIGROUP GLOBAL MARKETS INC		691,414	700,000	1,225	1
31418C XN 9	FN MA3384 - RMBS		07/20/2018	MORGAN STANLEY & CO. LLC		6,060,337	5,940,369	15,181	1
574218 B3 6	MARYLAND ST HEALTH & HIGHER EDL FACS AUT		08/15/2018	RAYMOND JAMES/FI		1,221,283	1,245,000	4,248	1FE
592107 AA 4	METROPOLITAN GOVT NASHVILLE & DAVIDSON C		07/31/2018	MERRILL LYNCH PIERCE FENNER SMITH INC		600,000	600,000		1FE
73358W AJ 3	PORT AUTH N Y & N J		09/12/2018	Morgan Stanley		1,262,310	1,050,000	18,145	1FE
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					9,835,344	9,535,369	38,799	XXX
Bonds - Industrial and Miscellaneous									
09681L AH 3	BOC AVIATION LTD	C	09/19/2018	CITIGROUP GLOBAL MARKETS INC		900,000	900,000		1FE
21688A AE 2	RABOBANK NEDERLAND (NEW YORK BRANCH)	C	08/16/2018	RBC CAPITAL MARKETS, LLC		1,483,245	1,500,000	12,516	1FE
26884U AA 7	EPR PROPERTIES		07/11/2018	WELLS FARGO SECURITIES LLC		823,096	800,000	20,767	2FE
585055 BS 4	MEDTRONIC INC	C	08/28/2018	BNY/SUNTRUST CAPITAL MARKETS		2,722,638	2,720,000	43,633	1FE
61690Y BS 0	MSC 16BNK2 ASB - CMBS		08/22/2018	GOLDMAN, SACHS & CO		1,462,734	1,500,000	2,741	1FE
65339K AQ 3	NEXTERA ENERGY CAPITAL HOLDINGS INC		08/06/2018	BARCLAYS CAPITAL INC		1,103,135	1,100,000		2FE
709599 AU 8	PENSKE TRUCK LEASING CO LP		07/23/2018	GOLDMAN, SACHS & CO		896,094	900,000	800	2FE
75951A AJ 7	RELIANCE STANDARD LIFE GLOBAL FUNDING II		09/12/2018	CREDIT SUISSE SECURITIES (USA)		1,399,244	1,400,000		1FE
84858D AA 6	SPIRIT AIRLINES CLASS A PASS THROUGH CER		08/02/2018	CANTOR FITZGERALD & CO		863,490	863,922	12,299	1FE
90331H NV 1	US BANK NA		07/19/2018	US BANCORP INVESTMENTS INC		2,097,900	2,100,000		1FE
3899999.	Total - Bonds - Industrial and Miscellaneous					13,751,576	13,783,922	92,755	XXX
8399997.	Total - Bonds - Part 3					55,890,034	56,540,349	174,840	XXX
8399999.	Total - Bonds					55,890,034	56,540,349	174,840	XXX
Common Stocks - Industrial and Miscellaneous									
314211 10 3	FEDERATED INVESTORS CL B ORD		09/04/2018	MERRILL LYNCH,PIERCE,FENNER & SMITH	30,000.000	686,415	XXX		L
9099999.	Total - Common Stocks - Industrial and Miscellaneous					686,415	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					686,415	XXX	0	XXX
9799999.	Total - Common Stocks					686,415	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					686,415	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					56,576,449	XXX	174,840	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 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
912828 G3 8	UNITED STATES TREASURY		08/16/2018.	STATE STREET BOSTON		1,935,859	2,000,000	1,997,344	1,997,365		240		240		1,997,619		(61,760)	(61,760)	33,995	11/15/2024.	1
912828 VM 9	UNITED STATES TREASURY		09/01/2018.	Adjustment					88,050	(1,749)			(1,749)					0		07/15/2023.	1
912828 XG 0	UNITED STATES TREASURY		08/07/2018.	GOLDMAN, SACHS & CO		2,927,227	3,000,000	3,050,625	3,045,407		(5,874)		(5,874)		3,039,548		(112,321)	(112,321)	70,506	06/30/2022.	1
912828 XY 1	UNITED STATES TREASURY		09/21/2018.	VARIOUS		12,740,063	12,800,000	12,777,500			1,557		1,557		12,779,057		(38,995)	(38,995)	63,777	06/30/2020.	1
0599999.	Total - Bonds - U.S. Government					17,603,148	17,800,000	17,825,469	5,130,823	(1,749)	(4,076)	0	(5,825)	0	17,816,225	0	(213,076)	(213,076)	168,278	XXX	XXX
Bonds - U.S. Political Subdivisions of States																					
108151 6F 3	BRIDGEPORT CONN		09/01/2018.	Unknown		547,988	500,000	574,680	557,738		(9,749)		(9,749)		547,988			0	25,139	08/15/2021.	1FE
592112 LJ 3	METROPOLITAN GOVT NASHVILLE & DAVIDSON C		08/01/2018.	Maturity @ 100.00		1,475,000	1,475,000	1,482,405	1,477,431		(2,431)		(2,431)		1,475,000			0	23,040	07/01/2018.	1FE
2499999.	Total - Bonds - U.S. Political Subdivisions of States					2,022,988	1,975,000	2,057,085	2,035,168	0	(12,180)	0	(12,180)	0	2,022,988	0	0	0	48,178	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
17131H CR 7	CHULA VISTA CALIF INDL DEV REV		08/01/2018.	Maturity @ 100.00		365,000	365,000	365,183	365,000				0		365,000			0	5,019	07/01/2018.	1FE
196479 H6 9	COLORADO HSG & FIN AUTH		08/13/2018.	Call @ 100.00		85,000	85,000	85,000					0		85,000			0	6	10/01/2023.	1FE
3128MJ 3M 0	FH G08803 - RMBS		09/01/2018.	Paydown		180,505	180,505	175,697			59		59		175,756		4,750	4,750	1,342	03/01/2048.	1
3128MJ 3S 7	FH G08808 - RMBS		09/01/2018.	Paydown		237,182	237,182	237,561			(16)		(16)		237,546		(364)	(364)	2,113	04/01/2048.	1
3132L8 2H 9	FH V83476 - RMBS		09/01/2018.	Paydown		178,194	178,194	178,514			(12)		(12)		178,502		(308)	(308)	1,677	11/01/2047.	1
3140GW T6 0	FN BH7772 - RMBS		09/01/2018.	Paydown		489,825	489,825	490,169			(34)		(34)		490,135		(311)	(311)	3,737	08/01/2047.	1
3140J7 XW 0	FN BM3392 - RMBS		09/01/2018.	Paydown		560,625	560,625	575,867			(239)		(239)		575,628		(15,003)	(15,003)	6,286	01/01/2048.	1
3140Q7 VM 6	FN CA0619 - RMBS		09/01/2018.	Paydown		248,249	248,249	254,533			(81)		(81)		254,452		(6,203)	(6,203)	2,425	10/01/2047.	1
31418C S3 9	FN MA3237 - RMBS		09/01/2018.	Paydown		149,616	149,616	145,701			42		42		145,742		3,874	3,874	1,116	01/01/2048.	1
31418C XN 9	FN MA3384 - RMBS		09/01/2018.	Paydown		66,068	66,068	67,402			(5)		(5)		67,397		(1,329)	(1,329)	108	06/01/2048.	1
57587A DL 9	MASSACHUSETTS ST HSG FIN AGY HSG REV		07/09/2018.	Call @ 100.00		35,000	35,000	35,071			(6)		(6)		35,065		(65)	(65)	438	12/01/2020.	1FE
882117 2V 5	TEXAS A & M UNIV PERM UNIV FD		08/01/2018.	Maturity @ 100.00		2,000,000	2,000,000	2,012,680	2,003,481		(3,481)		(3,481)		2,000,000			0	25,000	07/01/2018.	1FE
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					4,595,263	4,595,263	4,623,377	2,368,481	0	(3,772)	0	(3,772)	0	4,610,223	0	(14,959)	(14,959)	49,268	XXX	XXX
Bonds - Industrial and Miscellaneous																					
263534 BT 5	E I DU PONT DE NEMOURS AND CO		08/01/2018.	Maturity @ 100.00		2,452,000	2,452,000	2,892,088	2,508,470		(56,470)		(56,470)		2,452,000			0	147,120	07/15/2018.	1FE
29364W AJ 7	ENTERGY LOUISIANA LLC		09/04/2018.	Maturity @ 100.00		1,920,000	1,920,000	2,267,942	1,974,149		(54,149)		(54,149)		1,920,000			0	124,800	09/01/2018.	1FE
406216 BC 4	HALLIBURTON CO		09/01/2018.	Maturity @ 100.00		2,380,000	2,380,000	2,354,724	2,376,841		3,165		3,165		2,380,000			0	47,600	08/01/2018.	2FE
478160 AU 8	JOHNSON & JOHNSON		08/01/2018.	Maturity @ 100.00		1,000,000	1,000,000	1,207,660	1,021,985		(22,042)		(22,042)		1,000,000			0	51,500	07/15/2018.	1FE
3899999.	Total - Bonds - Industrial and Miscellaneous					7,752,000	7,752,000	8,722,415	7,881,446	0	(129,497)	0	(129,497)	0	7,752,000	0	0	0	371,020	XXX	XXX
8399997.	Total - Bonds - Part 4					31,973,400	32,122,263	33,228,345	17,415,918	(1,749)	(149,525)	0	(151,274)	0	32,201,436	0	(228,036)	(228,036)	636,744	XXX	XXX
8399999.	Total - Bonds					31,973,400	32,122,263	33,228,345	17,415,918	(1,749)	(149,525)	0	(151,274)	0	32,201,436	0	(228,036)	(228,036)	636,744	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
58933Y 10 5	MERCK & CO ORD		09/27/2018.	UBS FINANCIAL SERVICES INC.	16,300.000	1,154,460	XXX	627,045	917,201	(290,156)			(290,156)		627,045		527,415	527,415	23,472	XXX	L
717081 10 3	PFIZER ORD		09/27/2018.	UBS FINANCIAL SERVICES INC.	18,800.000	826,045	XXX	341,878	680,936	(339,058)			(339,058)		341,878		484,167	484,167	19,176	XXX	L
9099999.	Total - Common Stocks - Industrial and Miscellaneous					1,980,505	XXX	968,923	1,598,137	(629,214)	0	0	(629,214)	0	968,923	0	1,011,582	1,011,582	42,648	XXX	XXX
9799997.	Total - Common Stocks - Part 4					1,980,505	XXX	968,923	1,598,137	(629,214)	0	0	(629,214)	0	968,923	0	1,011,582	1,011,582	42,648	XXX	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
9799999.	Total - Common Stocks					1,980,505	XXX	968,923	1,598,137	(629,214)	0	0	(629,214)	0	968,923	0	1,011,582	1,011,582	42,648	XXX	XXX
9899999.	Total - Preferred and Common Stocks					1,980,505	XXX	968,923	1,598,137	(629,214)	0	0	(629,214)	0	968,923	0	1,011,582	1,011,582	42,648	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					33,953,905	XXX	34,197,268	19,014,055	(630,963)	(149,525)	0	(780,488)	0	33,170,359	0	783,546	783,546	679,392	XXX	XXX

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

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

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

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

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

Sch. DL - Pt. 1
NONE

Sch. DL - Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
Bank of America	Little Rock, AR								XXX
BAAA Claims						(3,679,673)	552,204	(2,111,623)	XXX
BAAA Operating						6,536,937	7,236,608	24,230,104	XXX
BAAA Refunds						287,972	576,101	521,570	XXX
Exchange Claims						(1,865,530)	(1,471,501)	(1,471,848)	XXX
FEP Basic Option EFT								0	XXX
FEP Standard Option EFT									XXX
GCPS Assigned EFT									XXX
General Acct						16,918,515	21,488,105	4,912,849	XXX
LTC CHCS						176,949	182,850	180,986	XXX
Med Adv ACH Prems						327,766	456,417	229,220	XXX
Med Adv Lockbox									XXX
Payroll Acct						(5,186,343)	22,112	22,241	XXX
PDP ACH Premiums						17,807	17,807	17,807	XXX
PDP Lockbox								15	XXX
USAM Claims						3,551,191	3,569,212	2,199,426	XXX
Walmart Claims						15,653,448	9,933,515	11,599,319	XXX
BC Regular Business Claims						(306,662)	(303,973)	(341,261)	XXX
Med Adv EFT									XXX
Medipak Assigned EFT						5,862			XXX
Premium Rebate Fund									XXX
Bank of America	Vadalia, MO								XXX
Accounts Payable						(2,379,256)	(1,986,200)	(1,788,402)	XXX
GCPS Assigned						(47,154)	(48,832)	(64,251)	XXX
GCPS Unassigned						(215,468)	(348,070)	(184,118)	XXX
Simmons First National Bank	Pine Bluff, AR								XXX
ABCBS MMA DDA				24,703		7,077,282	7,086,512	7,093,850	XXX
Accts Payable EFT							18,498	(597)	XXX
BlueCard Claims						(87,437)	(144,352)	(126,878)	XXX
FEP Basic Option						(91,147)	(107,588)	(89,087)	XXX
FEP Investment						110,169	110,186	2,159,628	XXX
FEP Standard Option						(165,096)	(196,316)	(196,811)	XXX
Med Adv Claims									XXX
Medipak Assigned						(151,795)	(285,751)	(277,545)	XXX
Medipak Unassigned						(513,359)	(609,164)	(586,161)	XXX
Parent Acct						5,622,904	5,390,636	4,992,373	XXX
US Bank	St. Louis, MO								XXX
Members Lockbox						3,027,106	2,158,602	8,441,879	XXX
Uninvested Cash						1,842	1,875	1,875	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	2,214		2,330,000	2,330,000	2,330,000	XXX
0199999. Total Open Depositories		XXX	XXX	26,917	0	46,981,832	55,654,490	61,719,561	XXX
0399999. Total Cash on Deposit		XXX	XXX	26,917	0	46,981,832	55,654,490	61,719,561	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	XXX	6,772	6,772	6,772	XXX
0599999. Total Cash		XXX	XXX	26,917	0	46,988,604	55,661,262	61,726,333	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
Exempt Money Market Mutual Funds as Identified by the SVO								
60934N 50 0	FEDERATED TREAS OBL INST		09/28/2018	2.030		27,736,433	114,250	26,492
8599999. Total - Exempt Money Market Mutual Funds as Identified by the SVO						27,736,433	114,250	26,492
All Other Money Market Mutual Funds								
316175 60 3	FIDELITY IMM:GOVT III		02/08/2018	1.740		106,500	142	989
8699999. Total - All Other Money Market Mutual Funds						106,500	142	989
8899999. Total - Cash Equivalents						27,842,933	114,392	27,481

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	23,567,062	XXX	1,630,322	XXX	25,197,383
2. Earned premiums	21,909,845	XXX	1,753,829	XXX	XXX
3. Claims paid	20,870,493	XXX	1,808,207	XXX	22,678,700
4. Claims incurred	21,668,879	XXX	1,780,342	XXX	XXX
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a)	XXX	34,284,180	XXX	944,289	35,228,470
6. Aggregate policy reserves - change		XXX		XXX	XXX
7. Expenses paid	6,394,158	XXX	281,354	XXX	6,675,513
8. Expenses incurred	6,266,573	XXX	273,084	XXX	XXX
9. Underwriting gain or loss	(6,025,607)	XXX	(299,597)	XXX	XXX
10. Cash flow results	XXX	XXX	XXX	XXX	(39,385,299)

(a) Uninsured Receivable/Payable with CMS at End of Quarter $.....43,506,788 due from CMS or $.....46,543,521 due to CMS.