



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2017
OF THE CONDITION AND AFFAIRS OF THE
Arkansas Superior Select, Inc.

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	15135	Employer's ID Number	80-0875493
Organized under the Laws of	Arkansas		State of Domicile or Port of Entry	AR		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	11/13/2012		Commenced Business	01/01/2015		
Statutory Home Office	1401 West Capital, Suite 430 (Street and Number)		Little Rock, AR, US 72201 (City or Town, State, Country and Zip Code)			
Main Administrative Office	1401 West Capital, Suite 430 (Street and Number)		Little Rock, AR, US 72201 (City or Town, State, Country and Zip Code)			
Mail Address	1401 West Capital, Suite 430 (Street and Number or P.O. Box)		Little Rock, AR, US 72201 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1401 West Capital, Suite 430 (Street and Number)		Little Rock, AR, US 72201 (City or Town, State, Country and Zip Code)			
Internet Website Address	www.tributehealthplans.com		(501)372-1922 (Area Code) (Telephone Number)			
Statutory Statement Contact	Alan Gable (Name)		(501)372-1922 (Area Code)(Telephone Number)(Extension)			
	agable@superiorselectinc.com (E-Mail Address)		(501)372-1932 (Fax Number)			

OFFICERS

Name	Title
James Bennett Cooper	President
Jason Wayne Lee	Assistant Secretary
Jerry Don Sams	Secretary/Treasurer/CFO
David Lamar Norsworthy	Vice President

OTHERS

DIRECTORS OR TRUSTEES

Tommy Carl Coble	James Bennett Cooper
Michael Schuyler Morton	David Lamar Norsworthy
Jerry Don Sams	

State of Arkansas
County of ss

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

(Signature) James Bennett Cooper (Printed Name) 1. President (Title)	(Signature) Jason Wayne Lee (Printed Name) 2. Assistant Secretary (Title)	(Signature) Jerry Don Sams (Printed Name) 3. Secretary/Treasurer/CFO (Title)
Subscribed and sworn to before me this day of , 2018 (Notary Public Signature)	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[X] No[]

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)				
2.	Stocks (Schedule D):				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....7,725,446, Schedule E Part 1), cash equivalents (\$.....302,852, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	8,028,298		8,028,298	4,146,436
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)	241,628		241,628	23,107
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	8,269,926		8,269,926	4,169,543
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	278		278	58
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	51,196		51,196	26,714
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums (\$.....19,131) and contracts subject to redetermination (\$.....0)				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers				
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans	40,982	709	40,273	295,608
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				20,377
21.	Furniture and equipment, including health care delivery assets (\$.....0)	4,787	4,787		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				
24.	Health care (\$.....314,857) and other amounts receivable	394,868	80,012	314,856	71,533
25.	Aggregate write-ins for other than invested assets	55,951	41,630	14,321	52,305
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	8,817,988	127,138	8,690,850	4,636,138
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	8,817,988	127,138	8,690,850	4,636,138
DETAILS OF WRITE-INS					
1101.	.....				
1102.	.....				
1103.	.....				
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Other Receivables	51,369	37,048	14,321	52,304
2502.	Security Deposits	4,582	4,582		1
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	55,951	41,630	14,321	52,305

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	3,478,307		3,478,307	1,755,119
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	99,190		99,190	110,611
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	1,714,061		1,714,061	1,372,225
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	285,625		285,625	90,269
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				47,163
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified (\$.....0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including \$.....0 current)				
24.	TOTAL Liabilities (Lines 1 to 23)	5,577,183		5,577,183	3,375,387
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X	300,000	300,000
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	17,261,150	10,821,150
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	(14,447,483)	(9,860,399)
32.	Less treasury stock, at cost:				
32.1	0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2	0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	3,113,667	1,260,751
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	8,690,850	4,636,138
DETAILS OF WRITE-INS					
2301.	.....				
2302.	.....				
2303.	.....				
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	7,519	3,483
2.	Net premium income (including \$.....0 non-health premium income)	X X X	11,535,752	5,053,250
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X	102,376	25,300
8.	TOTAL Revenues (Lines 2 to 7)	X X X	11,638,128	5,078,550
Hospital and Medical:				
9.	Hospital/medical benefits		10,316,240	4,627,599
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area			
13.	Prescription drugs		1,029,159	469,113
14.	Aggregate write-ins for other hospital and medical			(61)
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)		11,345,399	5,096,651
Less:				
17.	Net reinsurance recoveries		14,210	
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		11,331,189	5,096,651
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....879,031 cost containment expenses		1,250,084	814,126
21.	General administrative expenses		3,202,792	2,641,601
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		341,836	39,768
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		16,125,901	8,592,146
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(4,487,773)	(3,513,596)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,334	(3,577)
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		1,334	(3,577)
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(4,486,439)	(3,517,173)
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	(4,486,439)	(3,517,173)
DETAILS OF WRITE-INS				
0601.	.....	X X X		
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	Proceeds from Sale of Fixed Assets	X X X	102,376	
0702.	Consulting Services	X X X		25,300
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X	102,376	25,300
1401.	Other Medical Income/Expense			(61)
1402.	.....			
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			(61)
2901.	.....			
2902.	.....			
2903.	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	1,260,751	1,003,672
34.	Net income or (loss) from Line 32	(4,486,439)	(3,517,173)
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		(26,893)
37.	Change in net unrealized foreign exchange capital gain or (loss)	(391,478)	
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	290,833	(142,662)
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	6,440,000	3,830,317
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		113,492
48.	Net change in capital and surplus (Lines 34 to 47)	1,852,916	257,081
49.	Capital and surplus end of reporting year (Line 33 plus 48)	3,113,667	1,260,753
DETAILS OF WRITE-INS			
4701.	Prior Period Adjustment		113,492
4702.	.....		
4703.	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		113,492

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	11,511,270	5,031,231
2.	Net investment income	1,114	(3,614)
3.	Miscellaneous income	102,376	25,300
4.	TOTAL (Lines 1 through 3)	11,614,760	5,052,917
5.	Benefit and loss related payments	9,671,387	4,258,468
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	4,014,315	3,709,493
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	TOTAL (Lines 5 through 9)	13,685,702	7,967,961
11.	Net cash from operations (Line 4 minus Line 10)	(2,070,942)	(2,915,044)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets	610,000	50,000
13.6	Miscellaneous applications		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	610,000	50,000
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(610,000)	(50,000)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	6,440,000	3,830,317
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)	122,803	1,663,745
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	6,562,803	5,494,062
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	3,881,861	2,529,018
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	4,146,437	1,617,419
19.2	End of year (Line 18 plus Line 19.1)	8,028,298	4,146,437

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

20.0001	.....		
20.0002	.....		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	11,535,752						11,535,752			
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues										X X X
6.	Aggregate write-ins for other non-health care related revenues	102,376	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	102,376
7.	TOTAL Revenues (Lines 1 to 6)	11,638,128						11,535,752			102,376
8.	Hospital/medical benefits	10,316,240						10,316,240			X X X
9.	Other professional services										X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area										X X X
12.	Prescription drugs	1,029,159						1,029,159			X X X
13.	Aggregate write-ins for other hospital and medical										X X X
14.	Incentive pool, withhold adjustments and bonus amounts										X X X
15.	Subtotal (Lines 8 to 14)	11,345,399						11,345,399			X X X
16.	Net reinsurance recoveries	14,210						14,210			X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	11,331,189						11,331,189			X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X		
19.	Claims adjustment expenses including \$.....879,031 cost containment expenses	1,250,084						1,250,084			
20.	General administrative expenses	3,202,792						3,202,792			
21.	Increase in reserves for accident and health contracts	341,836						341,836			X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X		
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	16,125,901						16,125,901			
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(4,487,773)						(4,590,149)			102,376
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.	Gain on Sale of Assets	102,376	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	102,376
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	102,376	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	102,376
1301.	Other Medical Expenses										X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct	Reinsurance	Reinsurance	Net Premium
Line of Business		Business	Assumed	Ceded	Income
					(Columns
					1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare	11,582,470	.....	46,719	11,535,751
7.	Title XIX - Medicaid .....	.....	.....	.....	.....
8.	Other health .....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 through 8)	11,582,470	.....	46,719	11,535,751
10.	Life .....	.....	.....	.....	.....
11.	Property/casualty .....	.....	.....	.....	.....
12.	TOTALS (Lines 9 to 11)	11,582,470	.....	46,719	11,535,751

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	9,685,596						9,685,596			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	14,210						14,210			
1.4 Net	9,671,386						9,671,386			
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	3,478,307						3,478,307			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	3,478,307						3,478,307			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	63,386						63,386			
7. Amounts recoverable from reinsurers December 31, current year ..										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	1,755,118						1,755,118			
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	1,755,118						1,755,118			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	11,345,399						11,345,399			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	14,210						14,210			
12.4 Net	11,331,189						11,331,189			
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.....314,759 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	234,747						234,747			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	234,747						234,747			
2. Incurred but Unreported:										
2.1 Direct	3,243,560						3,243,560			
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	3,243,560						3,243,560			
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	3,478,307						3,478,307			
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	3,478,307						3,478,307			

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6.	Title XVIII - Medicare	1,573,759	8,097,628	20,708	3,457,599	1,594,467	1,755,119
7.	Title XIX - Medicaid .....	.....	.....	.....	.....	.....	.....
8.	Other health .....	.....	.....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 to 8)	1,573,759	8,097,628	20,708	3,457,599	1,594,467	1,755,119
10.	Healthcare receivables (a) .....	.....	80,109	.....	.....	.....	16,723
11.	Other non-health .....	.....	.....	.....	.....	.....	.....
12.	Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13.	TOTALS (Lines 9 - 10 + 11 + 12)	1,573,759	8,017,519	20,708	3,457,599	1,594,467	1,738,396

(a) Excludes \$.314,759 loans or advances to providers not yet expensed.

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	.....	.....	.....	.....	.....
2.	2013 .....	.....	.....	.....	.....	.....
3.	2014	X X X .....	.....	.....	.....	.....
4.	2015	X X X	X X X	943	1,515	1,515
5.	2016	X X X	X X X	X X X	3,581	5,155
6.	2017	X X X	X X X	X X X	X X X	8,034

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	.....	.....	.....	.....	.....
2.	2013 .....	.....	.....	.....	.....	.....
3.	2014	X X X .....	.....	.....	.....	.....
4.	2015	X X X	X X X	1,974	1,521	1,515
5.	2016	X X X	X X X	X X X	5,330	5,176
6.	2017	X X X	X X X	X X X	X X X	11,492

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

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2014 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2015	1,567	1,515	420	27.723	1,935	123.484 .....	.....	.....	1,935	123.484
4.	2016	5,053	5,155	859	16.661	6,014	119.016	21 .....	.....	6,035	119.432
5.	2017	11,536	8,034	1,053	13.108	9,087	78.772	3,458	99	12,644	109.606

12 Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

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

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	.....	.....	.....	.....	.....
2.	2013 .....	.....	.....	.....	.....	.....
3.	2014	X X X .....	.....	.....	.....	.....
4.	2015	X X X	X X X	943	1,515	1,515
5.	2016	X X X	X X X	X X X	3,581	5,155
6.	2017	X X X	X X X	X X X	X X X	8,034

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	.....	.....	.....	.....	.....
2.	2013 .....	.....	.....	.....	.....	.....
3.	2014	X X X .....	.....	.....	.....	.....
4.	2015	X X X	X X X	1,974	1,521	1,515
5.	2016	X X X	X X X	X X X	5,330	5,176
6.	2017	X X X	X X X	X X X	X X X	11,492

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

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2014 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2015	1,567	1,515	420	27.723	1,935	123.484 .....	.....	.....	1,935	123.484
4.	2016	5,053	5,155	859	16.661	6,014	119.016	21 .....	.....	6,035	119.432
5.	2017	11,536	8,034	1,053	13.108	9,087	78.772	3,458	99	12,644	109.606

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

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

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)	1,714,061						1,714,061		
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)									
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)	1,714,061						1,714,061		
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	1,714,061						1,714,061		
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..									

(a) Includes \$.....1,714,061 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)	33,827	14,279	93,513		141,619
2.	Salaries, wages and other benefits	408,669	172,505	1,129,736		1,710,910
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)			196,220		196,220
4.	Legal fees and expenses	12,165	5,135	33,630		50,930
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services	241,771	102,055	668,360		1,012,186
7.	Traveling expenses	38,716	16,343	107,028		162,087
8.	Marketing and advertising	38,721	16,345	107,041		162,107
9.	Postage, express and telephone	23,623	9,972	65,305		98,900
10.	Printing and office supplies	20,299	8,568	56,115		84,982
11.	Occupancy, depreciation and amortization	12,641	5,336	34,945		52,922
12.	Equipment					
13.	Cost or depreciation of EDP equipment and software	24,582	10,377	67,956		102,915
14.	Outsourced services including EDP, claims, and other services					
15.	Boards, bureaus and association fees	22,899	9,666	63,303		95,868
16.	Insurance, except on real estate	1,118	472	3,092		4,682
17.	Collection and bank service charges				6,246	6,246
18.	Group service and administration fees			(91,734)		(91,734)
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes			3,335		3,335
23.2	State premium taxes					
23.3	Regulatory authority licenses and fees					
23.4	Payroll taxes			141,641		141,641
23.5	Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses			523,308		523,308
26.	TOTAL Expenses Incurred (Lines 1 to 25)	879,031	371,053	3,202,794	6,246	(a) 4,459,124
27.	Less expenses unpaid December 31, current year		99,190	285,625		384,815
28.	Add expenses unpaid December 31, prior year	68,790	41,821	90,269		200,880
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	947,821	313,684	3,007,438	6,246	4,275,189
DETAILS OF WRITE-INS						
2501.	Enrollment			90,068		90,068
2502.	Provider Network			38,675		38,675
2503.	Clinical Operations			267,732		267,732
2598.	Summary of remaining write-ins for Line 25 from overflow page			126,833		126,833
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			523,308		523,308

(a) Includes management fees of \$.....646,677 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....	.....
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....	.....
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) 7,360	7,580
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	TOTAL Gross investment income	7,360	7,580
11.	Investment expenses .....	.....	(g) 6,246
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g)
13.	Interest expense .....	.....	(h)
14.	Depreciation on real estate and other invested assets .....	.....	(i)
15.	Aggregate write-ins for deductions from investment income .....	.....	.....
16.	TOTAL Deductions (Lines 11 through 15) .....	.....	6,246
17.	Net Investment income (Line 10 minus Line 16) .....	.....	1,334
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	.....
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

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

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)			
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection			
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3	Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers			
16.2	Funds held by or deposited with reinsured companies			
16.3	Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans	709		(709)
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset			
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software		283,061	283,061
21.	Furniture and equipment, including health care delivery assets	4,787	17,549	12,762
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable	80,012	109,650	29,638
25.	Aggregate write-ins for other than invested assets	41,630	7,711	(33,919)
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	127,138	417,971	290,833
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	127,138	417,971	290,833
DETAILS OF WRITE-INS				
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Other Receivables	37,048	1,135	(35,913)
2502.	Deposits	4,582	4,582	
2503.	Consulting Receivable		1,994	1,994
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	41,630	7,711	(33,919)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	476	491	561	698	885	7,519
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	476	491	561	698	885	7,519
DETAILS OF WRITE-INS							
0601.	.....						
0602.	.....						
0603.	.....						
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

		SSAP #	F/S Page	F/S Line #	2017	2016
	NET INCOME					
(1)	State basis (Page 4, Line 32, Columns 2 & 3)				(4,486,438)	(3,517,174)
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(201)						
(299)	Total				0	0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:				0	0
(301)						
(399)	Total				0	0
(4)	NAIC SAP (1-2-3=4)				(4,486,438)	(3,517,174)
	SURPLUS					
(5)	State basis (Page 3, Line 33, Columns 3 & 4)				3,113,667	1,260,751
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(601)						
(699)	Total				0	0
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:				0	0
(701)						
(799)	Total				0	0
(8)	NAIC SAP (5-6-7=8)				3,113,667	1,260,751

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

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

C. Accounting Policy

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

Notes to Financial Statements

- (7) The Company had no subsidiaries, controlled and affiliated investments.
- (8) The Company had no investments in joint ventures, partnership, or limited liability companies.
- (9) The Company had no derivatives.
- (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company capitalizes, depreciates or amortizes, and admits EDP equipment and operating software in accordance with SSAP No. 16R. The Company also capitalizes furniture, fixtures and equipment, and leasehold improvements, and nonadmits them in accordance with SSAP No. 19.
- (13) Pharmacy rebates are recorded based on the estimate letter provided by the pharmacy benefit manager, Envision.

D. **Going Concern**

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

2. Accounting Changes and Corrections of Errors

The prior year financial statements include a prior period adjustment of \$113,493 related to an audit adjustment for nonadmitted EDP operating software and depreciation of EDP equipment, furniture, and equipment.

3. Business Combinations and Goodwill

- A. Statutory Purchase Method - None
- B. Statutory Merger - None
- C. Assumption Reinsurance – None
- D. Impairment Loss – None

4. Discontinued Operations

None

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - None
- B. Debt Restructuring - None
- C. Reverse Mortgages - None
- D. Loan-Backed Securities - None
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions – None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- H. Repurchase Agreements Transactions Accounted for as a Sale – None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale – None
- J. Real Estate – None

Notes to Financial Statements

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

As of December 31, 2017, the Company maintained on deposit with the Arkansas Insurance Department \$302,852 in the Invesco Treasury Portfolio Short-term Investments Trust fund.

(1) Restricted Assets (Including Pledged)

	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Percentage Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Percentage Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale							
i. FBLB capital stock							
j. On deposit with states	302,852	300,773	2,079		302,852	3.434%	3.485%
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$302.852	\$300,773	\$2,079		\$302,852	3.427%	3.477%

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

(3) Detail of Other Restricted Assets – None

Notes to Financial Statements

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

6. Joint Ventures, Partnerships and Limited Liability Companies

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

The Company accounts for the investment under the equity method. The carrying value at December 31, 2017 is reported at \$241,628, which is 49% of the LLC’s equity at December 31, 2017.

7. Investment Income

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

8. Derivative Instruments

None

9. Income Taxes

- A. 1.

Description		12/31/2017			12/31/2016			Change		
		1	2	3	4	5	6	7	8	9
		Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 – 4) Ordinary	(Col. 2 – 5) Capital	(Col. 7 + 8) Total
a.	Gross Deferred Tax Assets	2,952,551	70,401	3,022,951	3,528,088		3,528,088	(575,538)	70,401	(505,137)
b.	Statutory Valuation Allowance Adjustments	2,952,551	70,401	3,022,951	3,425,688		3,425,688	(473,136)	70,401	(402,735)
c.	Adjusted Gross Deferred Tax Assets (1a – 1b)				102,400		102,400	(102,400)		(102,400)
d.	Deferred Tax Assets Non-admitted									
e.	Subtotal Net Admitted Deferred Tax Asset (1c – 1d)				102,400		102,400	(102,400)		(102,400)
f.	Deferred Tax Liabilities				102,400		102,400	(102,400)		(102,400)
g.	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)									

- 2.

Description		12/31/2017			12/31/2016			Change		
		1	2	3	4	5	6	7	8	9
		Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 – 4) Ordinary	(Col. 2 – 5) Capital	(Col. 7 + 8) Total
a.	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks									
B	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2a Above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 below)									
b1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date									
b2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	311,367	XXX	XXX		XXX	XXX	311,367
c.	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2a and 2b Above) Offset by Gross Deferred Tax Liabilities									
d.	Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b – 2c)					102,400				102,400

- 3.

	Description	2017	2016
a.	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	247%	363%
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	3,113,667	1,260,751

Notes to Financial Statements

4.

Description		12/31/2017		12/31/2016		Change	
		1	2	3	4	5	6
		Ordinary	Capital	Ordinary	Capital	(Col 1-3) Ordinary	(Col.2+4) Capital
Impact of Tax-Planning Strategies							
a. Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage							
1.	Adjusted Gross DTAs Amount From Note 9A1(c)						
2.	% Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies						
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)						
4.	% Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies						

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

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

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

	Description	1	2	3
		12/31/2017	12/31/2016	(Col. 1 – 2) Change
1.	Current Income Tax			
a.	Federal			
b.	Foreign			
c.	Subtotal			
d.	Federal income tax on net capital gains			
e.	Utilization of capital loss carry-forwards			
f.	Other			
g.	Federal and foreign income taxes incurred			
2.	Deferred Tax Assets:			
a.	Ordinary			
1.	Discounting of unpaid losses	5,425	9,402	(3,977)
2.	Unearned premium reserve			
3.	Policyholder reserves			
4.	Investments			
5.	Deferred acquisition costs			
6.	Policyholder dividends accrual			
7.	Fixed assets	1,106		1,106
8.	Compensation and benefits accrual			
9.	Pension accrual			
10.	Receivables – nonadmitted	26,699	146,290	(119,591)
11.	Net operating loss carry-forward	2,559,368	3,372,397	(813,029)
12.	Tax credit carry-forward			
13.	Other (including items < 5% of total ordinary tax assets)			
99.	Subtotal	2,952,551	3,528,088	(575,538)
b.	Statutory valuation allowance adjustment	2,952,551	3,425,688	(473,136)
c.	Nonadmitted			
d.	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)		102,400	(102,400)
e.	Capital:			
1.	Investments	70,401		70,401
2.	Net capital loss carry-forward			
3.	Real estate			
4.	Other (including items < 5% of total capital tax assets)			
99.	Subtotal			
f.	Statutory valuation allowance adjustment	70,401		70,401
g.	Nonadmitted			
h.	Admitted capital deferred tax assets (2e99 – 2f – 2g)			
i.	Admitted deferred tax assets (2d + 2h)		102,400	(102,400)
3.	Deferred Tax Liabilities:			
a.	Ordinary			
1.	Investments			
2.	Fixed assets		102,400	(102,400)
3.	Deferred and uncollected premium			
4.	Policyholder reserves			
5.	Other (including items < 5% of total ordinary tax liabilities)			
99.	Subtotal		102,400	(102,400)
b.	Capital:			
1.	Investments			
2.	Real estate			
3.	Other (including items < 5% of total capital tax liabilities)			
99.	Subtotal			
c.	Deferred tax liabilities (3a99 + 3b99)		102,400	(102,400)
4.	Net deferred tax assets/liabilities (2i – 3c)			

Notes to Financial Statements

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

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

Description	Amount	Tax Effect	Effective Tax Rate
Income Before Taxes	(4,486,438)	(1,570,253)	35.00%
Tax-Exempt Interest			
Dividends Received Deduction			
Proration			
Meals & Entertainment, Lobbying Expenses, Etc.	7,019	2,457	-0.05%
Statutory Valuation Allowance Adjustment	(1,150,674)	(402,736)	8.98%
Deferred Taxes on Nonadmitted Assets	290,832	101,791	-2.27%
Change in Enacted Tax Rates		2,015,301	-44.92%
Other, Including Prior Year True-Up		(146,560)	3.27%
Total	0	0	0
Federal income taxes expense/(benefit)		0	0
Tax on capital gains/(losses)		0	0
Change in net deferred income tax		0	0
Total statutory income taxes		0	0

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

The Tax Cuts and Jobs Act of 2017 provides for a change in the methodology employed to calculate reserves for tax purposes. Beginning January 1, 2018, a higher interest rate assumption and longer payout patterns will be used to discount these reserves. In addition, companies will no longer be able to elect to use their own experience to discount reserves, but will instead be required to use the industry-based tables published by the IRS annually; however, the 2018 tables have yet to be released. Consequently, the company cannot reasonably estimate the impact this would have on deferred taxes at December 31, 2017.

E. Other Disclosures:

- a. As of December 31, 2017, the Company had net operating loss carryforwards of \$12,187,467.
- b. There are no income taxes incurred in the current and prior years which would be available for recoupment in the event of future net losses.
- c. The Company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. Consolidated Federal Income Tax Return

The Company’s federal income tax return is consolidated with:

The method of income tax allocation among companies is based on the relative net tax liability attributable to each of the companies each year, calculated on a separate return basis, taking into consideration credit for any net operating losses or other items utilized in the consolidated tax return.

G. Federal or Foreign Income Tax Loss Contingencies - None

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

A, B, & C - The Company is 100% owned by Select Founders, LLC. During 2017, the Company received additional contributed surplus of \$6,440,000 from parent Select Founders, LLC.

D. Amounts Due from or to Related Parties – None

- E. Guarantees – As disclosed in Note 14A, for its investment in Access Medical Clinic Arkansas, LLC, the Company has agreed to contribute additional capital of \$100,000 to the LLC for each new clinic opened by the LLC. Also, in the event it is determined that additional capital is necessary for other reasons, the Company may contribute their proportionate share, but is not required to do so. The Company’s share of ownership may increase or decrease over time based on proportionate share of contributions made by all member owners.

Notes to Financial Statements

- F. For 2017, case management services were performed by Access Medical Clinics. During 2017, ASSI paid Access Medical Clinics \$646,677 for case management.
- G. The Company is a wholly-owned subsidiary of Select Founders, LLC.
- H. Ownership in any upstream intermediate entities or ultimate parent companies owned – None
- I. The Company owns 49% of Access Medical Clinic Arkansas, LLC. See Note 6.
- J. Investment in impaired SCA entities - None
- K. Investment in foreign insurance subsidiaries - None
- L. Investments in downstream noninsurance holding companies – None
- M. Investment in all SCA entities - None
- N. Investment in insurance SCA entities – None

11. Debt

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

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

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

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

- (1) The Company has 500,000 shares authorized, 300,000 shares issued and outstanding.
- (2) The Company has no preferred stock issued or outstanding.
- (3) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Arkansas. These limitations are the greater of ten percent of capital or surplus as of the December 31 preceding year or the net income not including realized capital gains for the twelve month period ending on the preceding December 31.
- (4) The Company does not issue dividends.
- (5) There were no restrictions placed on the Company's surplus.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being paid.
- (7) The Company has no advances to surplus not repaid.
- (8) The Company has no stock held for special purposes.
- (9) There were no changes to the balances of any special surplus funds from the prior year.
- (10) Portion of unassigned funds represented or reduced by unrealized gains or losses is \$0.
- (11) The Company did not issue any surplus debentures or similar obligations.
- (12), (13) There has been no quasi-reorganizations.

Notes to Financial Statements

14. Liabilities, Contingencies and Assessments

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

(2)

Nature and circumstances of guarantee and key attributes, including date and duration of agreement.	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required.	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted.
Agreement to contribute additional capital to LLC for each new clinic they open	\$0	Unknown. \$100,000 for each new clinic opened by LLC	Not able to estimate as number and dates of new clinics to be opened is unknown	LLC is a start-up, still in planning process for opening clinics
Total	\$0			

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

15. Leases

- A. Lessee Operating Lease
- (1) a. The Company is committed under a non-cancellable operating lease for rental of office space. Total rental expense for 2017 and 2016 was \$93,519 and \$89,145, respectively.
- b. The Company’s contingent rental payments are based on a schedule within the contract.
- c. The contract offers a renewal options if the landlord is notified 180 days prior to the end of the lease.
- d. The Company has no restrictions imposed by lease agreements.
- (2) Leases having remaining non-cancellable lease terms in excess of one year:
- a. At December 31, 2017, the minimum aggregate rental commitments are as follows:
- | | | |
|----|-------------------------|------------------|
| | Year Ending December 31 | Operating Leases |
| 1. | 2018 | \$15,215 |
| 2. | 2019 | \$16,280 |
| | TOTAL | \$31,495 |
- b. The Company has no subleases.
- (3) The Company is not involved in any sales-leaseback transactions.
- B. Lessor Leases - None

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

None

Notes to Financial Statements

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

- A. Transfers of Receivables reported as Sales – None
- B. Transfer and Servicing of Financial Assets
- C. Wash Sales – None

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

- A. ASO Plans - None
- B. ASC Plans- None
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract
 - (1) Reimbursements from the Centers for Medicare and Medicaid Services (CMS) for the Company’s participation in the Medicare Part D program for the year ended December 31, 2017 were \$1,590,575 This amount represents pharmacy benefit cost reimbursements for the Reinsurance Subsidy and the Low-Income Cost Sharing Subsidy elements of the Medicare Part D program.
 - (2) As of December 31, 2017 the Company had recorded receivables from the following payor whose account balances are greater than 10% of the Company’s amounts receivable from uninsured accident and health plans or \$10,000:

CMS	\$40,982
-----	----------
 - (3) In connection with the Company’s Medicare Part D cost based reimbursement portion of the contract, the Company has recorded allowances and reserves for adjustment of recorded revenues in the amount of \$0 at December 31, 2017.
 - (4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

None

20. Fair Value Measurements

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

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

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

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

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

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

- (1) Fair Value Measurements at Reporting Date - None
- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - None
- (3) The Company does not have any securities where transfers between fair value levels have been recognized.
- (4) Fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy - None
- (5) Derivative assets and liabilities- None

Notes to Financial Statements

- B. Fair Value Information under SSAP No. 100 combined with Fair Value information Under Other Account Pronouncements – None
- C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash Equivalents	\$302,852	\$302,852	\$302,852			
Other Invested Assets	\$241,628	\$241,628			\$241,628	

- D. Not Practicable to Estimate Fair Value - None

21. Other Items

- A. Unusual or Infrequent Items – None
- B. Troubled Debt Restructuring – None
- C. Other Disclosures – None
- D. Business Interruption Insurance Recoveries - None
- E. State Transferable and Non-transferable Tax Credits - None
- F. Subprime-Mortgage Related Risk Exposure – None
- G. Retained Assets – None
- H. Insurance Linked Securities - None

22. Subsequent Events

Type I. – Recognized Subsequent Events

None

Type II. – Nonrecognized Subsequent Events

None. The Company is exempt from the ACA Section 9010 insurer fee because premium written in 2017 and prior was less than \$25 million.

Subsequent events have been considered through February 28, 2018, for the statutory statement issued on December 31, 2017.

23. Reinsurance

- A. Ceded Reinsurance Report

Section 1 – General Interrogatories

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

Yes () No (x)

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

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

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

Yes () No (x)

Notes to Financial Statements

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

Yes () No (x)

Section 3 – Ceded Reinsurance Report – Part B

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

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

Yes () No (X)

- B. Uncollectible Reinsurance – None
- C. Commutation of Ceded Reinsurance – None
- F. Certified Reinsurer Downgraded or Status Subject to Revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. – D. None
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)
 - (1) Did the reporting entity write accident and health insurance premiums that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? NO
 - (2) None
 - (3) None

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2016 were \$1,865,730. As of December 31, 2017, \$1,688,208 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$20,708 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$156,813 favorable prior year development since December 31, 2016 to December 31, 2017.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

- A. The Company has pharmaceutical rebates receivable of \$16,723 at December 31, 2016.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2017	80,109	80,109			
9/30/2017	35,299	35,299	35,299		
6/30/2017	29,132	29,132	29,132		
3/31/2017	28,228	28,228	28,228		
12/31/2016	16,723	16,723	16,723		
9/30/2016	10,010	10,010	10,010		
6/30/2016	12,273	12,273	12,273		
3/31/2016	21,744	21,744	21,744		
12/31/2015	49,000	56,480	5,945	15,205	35,330
9/30/2015	42,942	42,942		27,884	15,058
6/30/2015	14,679	14,679	5,920	639	8,120
3/31/2015	3,528	3,528	1,212	2,011	306

Notes to Financial Statements

B. Risk Sharing Receivables - None

29. Participating Policies

None

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	<u>\$1,714,061</u>
2. Date of the most recent evaluation of this liability	<u>12/31/2017</u>
3. Was anticipated investment income utilized in the calculation? (Yes / No)	<u>No</u>

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
- 1.3 State Regulating?

Arkansas
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2015
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/29/2016
- 3.4 By what department or departments?
Arkansas Insurance Department
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes[] No[X]
Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

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

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
7.21 State the percentage of foreign control
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

0.000%

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		No	No	No	No
		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BKD, 400 W. Capital Ave, Suite 2500, Little Rock, AR 72203
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:

GENERAL INTERROGATORIES (Continued)

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Milliman, 1301 Fifth Avenue, Suite 300, Seattle, WA 98101
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?
12.11 Name of real estate holding company
12.12 Number of parcels involved
12.13 Total book/adjusted carrying value

Yes[] No[X]
\$ 0
\$ 0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?
13.3 Have there been any changes made to any of the trust indentures during the year?
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]
Yes[] No[] N/A[X]
Yes[] No[] N/A[X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
14.11 If the response to 14.1 is no, please explain:
14.2 Has the code of ethics for senior managers been amended?
14.21 If the response to 14.2 is yes, provide information related to amendment(s).
14.3 Have any provisions of the code of ethics been waived for any of the specified officers?
14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

Yes[X] No[]

Yes[] No[X]

Yes[] No[X]
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

Yes[] No[X]

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
20.11 To directors or other officers
20.12 To stockholders not officers
20.13 Trustees, supreme or grand (Fraternal only)
20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
20.21 To directors or other officers
20.22 To stockholders not officers
20.23 Trustees, supreme or grand (Fraternal only)

\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
21.2 If yes, state the amount thereof at December 31 of the current year:
21.21 Rented from others
21.22 Borrowed from others
21.23 Leased from others
21.24 Other

Yes[] No[X]
\$ 0
\$ 0
\$ 0
\$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
22.2 If answer is yes:
22.21 Amount paid as losses or risk adjustment
22.22 Amount paid as expenses
22.23 Other amounts paid

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

Yes[] No[X]
\$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
24.02 If no, give full and complete information, relating thereto
24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
24.06 If answer to 24.04 is no, report amount of collateral for other programs.

Yes[X] No[]

Yes[] No[] N/A[X]
\$ 0
\$ 0

GENERAL INTERROGATORIES (Continued)

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

24.103 Total payable for securities lending reported on the liability page.

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

\$ 0

\$ 0

\$ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

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

25.21 Subject to repurchase agreements

25.22 Subject to reverse repurchase agreements

25.23 Subject to dollar repurchase agreements

25.24 Subject to reverse dollar repurchase agreements

25.25 Placed under option agreements

25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

25.27 FHLB Capital Stock

25.28 On deposit with states

25.29 On deposit with other regulatory bodies

25.30 Pledged as collateral - excluding collateral pledged to an FHLB

25.31 Pledged as collateral to FHLB - including assets backing funding agreements

25.32 Other

Yes[X] No[]

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 302,852

\$ 0

\$ 0

\$ 0

\$ 0

25.3 For category (25.26) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....		

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

27.2 If yes, state the amount thereof at December 31 of the current year.

Yes[] No[X]

Yes[] No[] N/A[X]

Yes[] No[X]

\$ 0

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

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

Yes[] No[X]

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

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

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
Arvest Asset Management	Arkansas	Money is in cash and on deposit with State Insurance Department

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

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

Yes[] No[X]

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

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

1	2
Name of Firm or Individual	Affiliation
.....	

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

Yes[] No[X]

Yes[] No[X]

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
.....				

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[] No[X]

29.2 If yes, complete the following schedule:

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

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

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

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

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

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[X] No[]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[X] No[] N/A[]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

Yes[X] No[]

32.2 If no, list exceptions:

33. By self-designation 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]

OTHER

34.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 50,000

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

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

35.1 Amount of payments for legal expenses, if any?

\$..... 33,630

35.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Mitchell Williams	 17,845

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$..... 0

36.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....	

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6 Individual policies - Most current three years:

1.61 TOTAL Premium earned

\$ 0

1.62 TOTAL Incurred claims

\$ 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 TOTAL Premium earned

\$ 0

1.65 TOTAL Incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 TOTAL Premium earned

\$ 0

1.72 TOTAL Incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 TOTAL Premium earned

\$ 0

1.75 TOTAL Incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	11,535,752	5,053,250
2.2	Premium Denominator	11,535,752	5,053,250
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	5,211,499	3,127,344
2.5	Reserve Denominator	5,192,368	3,127,344
2.6	Reserve Ratio (2.4 / 2.5)	1.004	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 300,000

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Hold Harmless provisions

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 6,670

8.2 Number of providers at end of reporting year

..... 3,669

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[] No[X]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 0

10.22 Amount actually paid for year bonuses

\$ 0

10.23 Maximum amount payable withholds

\$ 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]

11.14 A Mixed Model (combination of above)?

Yes[X] No[]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

Arkansas

11.4 If yes, show the amount required.

\$ 2,222,550

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

300% of Authorized Control Level RBC

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
All counties in Arkansas

13.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ 0

13.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers?

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

14.2 If the answer to 14.1 is yes, please provide the following:

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

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

15.1 Direct Premium Written

15.2 Total incurred claims

15.2 Number of covered lives

\$ 0

\$ 0

0

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

FIVE-YEAR HISTORICAL DATA

	1 2017	2 2016	3 2015	4 2014	5 2013
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	8,690,850	4,636,138	3,628,324	2,420,173	435,888
2. TOTAL Liabilities (Page 3, Line 24)	5,577,183	3,375,387	2,624,651	5,011	62,283
3. Statutory minimum capital and surplus requirement	2,222,550	1,041,357	750,000	300,000	300,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	3,113,667	1,260,751	1,003,672	2,415,162	373,605
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	11,638,128	5,078,550	1,683,764		
6. TOTAL Medical and Hospital Expenses (Line 18)	11,331,189	5,096,651	1,974,936		
7. Claims adjustment expenses (Line 20)	1,250,084	814,126	366,852		
8. TOTAL Administrative Expenses (Line 21)	3,202,792	2,641,601	2,102,392	1,155,840	728,458
9. Net underwriting gain (loss) (Line 24)	(4,487,773)	(3,513,596)	(4,092,873)	(1,155,840)	(728,458)
10. Net investment gain (loss) (Line 27)	1,334	(3,577)	(3,136)	(2,868)	(937)
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	(4,486,439)	(3,517,173)	(4,096,009)	(1,158,708)	(729,395)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(2,070,942)	(2,915,044)	(1,712,953)	(1,215,822)	(668,348)
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	3,113,667	1,260,751	1,003,672	2,415,162	373,605
15. Authorized control level risk-based capital	740,850	347,119	389,362	5,225	3,590
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	885	476	208		
17. TOTAL Members Months (Column 6, Line 7)	7,519	3,483	1,181		
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	98.2	100.9	126.1		
20. Cost containment expenses	7.6	12.8	18.3		
21. Other claims adjustment expenses	3.2	3.3	5.1		
22. TOTAL Underwriting Deductions (Line 23)	139.8	170.0	368.7		
23. TOTAL Underwriting Gain (Loss) (Line 24)	(38.9)	(69.5)	(261.2)		
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	1,594,467	578,201			
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	1,738,396	930,689			
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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

If no, please explain:

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

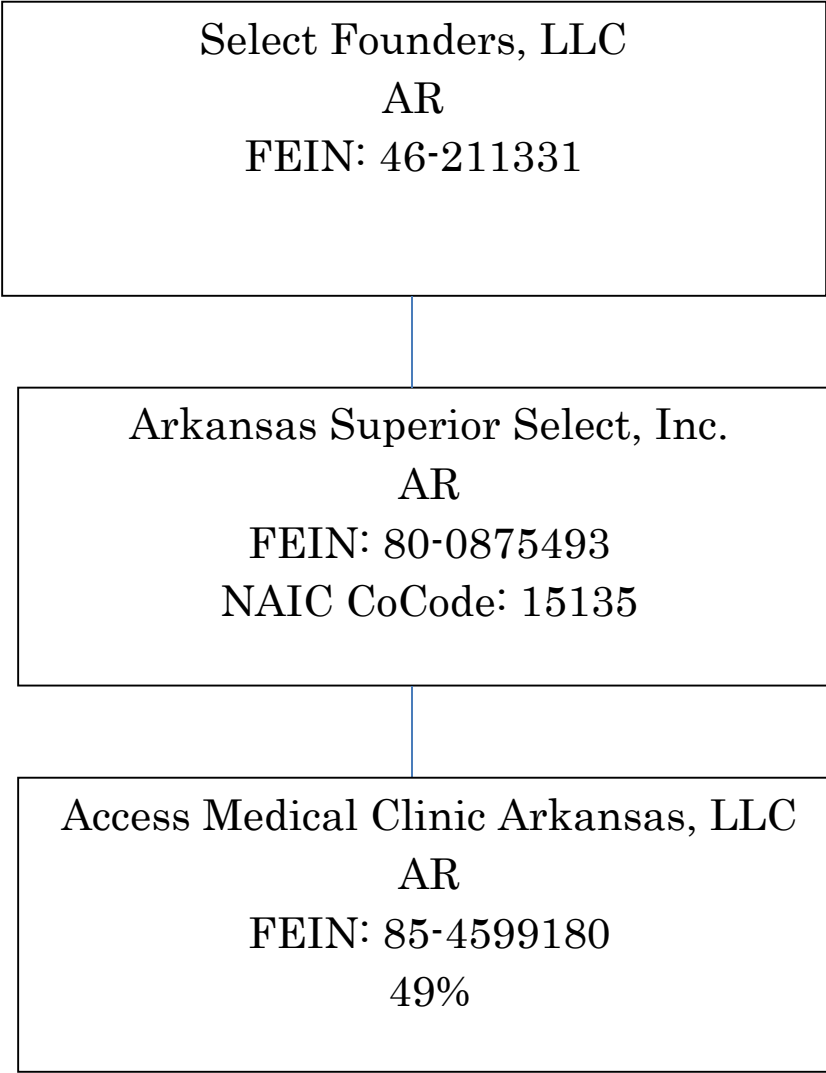
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	L		11,582,470					11,582,470	
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	N								
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X		11,582,470					11,582,470	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a) 1		11,582,470					11,582,470	

DETAILS OF WRITE-INS										
58001.	X X X									
58002.	X X X									
58003.	X X X									
58998.Summary of remaining write-ins for Line 58 from overflow page	X X X									
58999.TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X									

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation by state, premiums by state, etc.: Allocated to state of member's residence

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



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