95442201720100101

HEALTH QUARTERLY STATEMENT

As of March 31, 2017

of the Condition and Affairs of the

HMO Partners, Inc

NAIC Group Code.....876, 876 (Current Period) (Prior Period) NAIC Company Code..... 95442 Employer's ID Number..... 71-0747497

Organized under the Laws of Arkansas State of Domicile or Port of Entry Arkansas Country of Domicile US

Licensed as Business Type Health Maintenance Organization Is HMO Federally Qualified? Yes [X] No [ ]

Incorporated/Organized..... November 8, 1993 Commenced Business..... January 1, 1994

Statutory Home Office	320 West Capitol….. Little Rock ..... AR ..... US ..... 72203-8069 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	320 West Capitol….. Little Rock ..... AR ..... US ..... 72203-8069 *(Street and Number) (City or Town, State, Country and Zip Code)*	501-221-1800 *(Area Code) (Telephone Number)*
Mail Address	320 West Capitol….. Little Rock ..... AR ..... US ..... 72203-8069 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	601 S. Gaines….. Little Rock ..... AR ..... US ..... 72201 *(Street and Number) (City or Town, State, Country and Zip Code)*	501-378-2000 *(Area Code) (Telephone Number)*
Internet Web Site Address	healthadvantage-hmo.com	
Statutory Statement Contact	Scott Bradley Winter *(Name)*	501-399-3951 *(Area Code) (Telephone Number) (Extension)*
	sbwinter@arkbluecross.com *(E-Mail Address)*	501-378-3258 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. John Charles Glassford Jr.	President/CEO	2. Gray Donald Dillard	Treasurer/CFO
3. Scott Bradley Winter	Assistant Treasurer	4. Kathleen O'Dea Ryan	Vice President

OTHER

James Sterling Adamson Jr. MD	Chairman	David Frank Bridges Jr.	Assistant Secretary
Russell Doyne Harrington Jr.	Secretary	Robert Cecil Roberts	Vice Chairman

DIRECTORS OR TRUSTEES

James Sterling Adamson Jr. MD	James Robert Bailey	Curtis Edwin Barnett	David Warren Cobb R.PH.
Gray Donald Dillard	Lavanda Moore Gangluff	John Charles Glassford Jr.	Richard Loyd Gore DDS
Merlin Moody Hagan	Russell Doyne Harrington Jr.	Calvin Eugene Kellogg	Charles Edgar Phillips MD
Robert Cecil Roberts	Steven Aaron Spaulding #	Sherman Ellis Tate	Robert Lee Trammel
Michael David Voss	Troy Russell Wells		

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

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

(Signature)	(Signature)	(Signature)
John Charles Glassford Jr.	Gray Donald Dillard	Scott Bradley Winter
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President/CEO	Treasurer/CFO	Assistant Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This _____ day of _____

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

ASSETS

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year Net Admitted Assets
1. Bonds	42,012,505		42,012,505	41,254,615
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	17,197,572		17,197,572	16,954,608
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....25,141,946), cash equivalents ($.....0) and short-term investments ($.....5,972,423)	31,114,369		31,114,369	34,697,888
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	90,324,445	0	90,324,445	92,907,112
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	448,921		448,921	305,415
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($.....4,948,250) and contracts subject to redetermination ($.....1,059,067)	6,007,316	155,417	5,851,899	3,429,960
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	708,747		708,747	484,519
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	4,731,729	64,925	4,666,804	7,939,713
18.1 Current federal and foreign income tax recoverable and interest thereon	4,834,397		4,834,397	5,403,279
18.2 Net deferred tax asset	793,588	793,588	0	
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($.....0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	
24. Health care ($.....5,375,305) and other amounts receivable	5,375,305	2,069,613	3,305,692	3,206,428
25. Aggregate write-ins for other than invested assets	1,498,119	1,050,000	448,119	425,003
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	114,722,569	4,133,543	110,589,025	114,101,429
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	114,722,569	4,133,543	110,589,025	114,101,429

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Supplemental Savings Plan	448,119		448,119	425,003
2502. Other Assets	1,050,000	1,050,000	0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	1,498,119	1,050,000	448,119	425,003

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....7,806,728 reinsurance ceded)	19,937,950		19,937,950	16,553,550
2.	Accrued medical incentive pool and bonus amounts	1,452,913		1,452,913	1,407,621
3.	Unpaid claims adjustment expenses	307,029		307,029	313,371
4.	Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	108,020		108,020	197,113
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserve			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance	7,976,915		7,976,915	2,886,957
9.	General expenses due or accrued	254,518		254,518	1,970,860
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	1,749,617		1,749,617	
10.2	Net deferred tax liability	1,620,920		1,620,920	1,860,513
11.	Ceded reinsurance premiums payable	167,442		167,442	168,094
12.	Amounts withheld or retained for the account of others	2,203,774		2,203,774	2,546,125
13.	Remittances and items not allocated	82,838		82,838	399,184
14.	Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15.	Amounts due to parent, subsidiaries and affiliates	6,506,666		6,506,666	9,206,280
16.	Derivatives			0	
17.	Payable for securities			0	
18.	Payable for securities lending			0	
19.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized reinsurers and certified $.....0 reinsurers)			0	
20.	Reinsurance in unauthorized and certified ($.....0) companies			0	
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	
22.	Liability for amounts held under uninsured plans	6,757,125		6,757,125	17,810,464
23.	Aggregate write-ins for other liabilities (including $.....0 current)	(19,696)	0	(19,696)	444,838
24.	Total liabilities (Lines 1 to 23)	49,106,030	0	49,106,030	55,764,969
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26.	Common capital stock	XXX	XXX	10,000	10,000
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX	1,919,153	1,919,153
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	59,553,842	56,407,307
32.	Less treasury stock, at cost:				
	32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
	32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	61,482,995	58,336,460
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	110,589,025	114,101,429

DETAILS OF WRITE-INS

2301.	Unclaimed property	88,618		88,618	88,618
2302.	Miscellaneous payables	(108,314)		(108,314)	356,220
2303.				0	
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	(19,696)	0	(19,696)	444,838
2501.	2016 ACA Insurer Fee estimate	XXX	XXX		
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.					
3002.					
3003.					
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months	XXX	144,861	145,236	588,869
2. Net premium income (including $.....0 non-health premium income)	XXX	51,260,516	47,235,797	191,140,735
3. Change in unearned premium reserves and reserve for rate credits	XXX			
4. Fee-for-service (net of $.....0 medical expenses)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	51,260,516	47,235,797	191,140,735
Hospital and Medical:				
9. Hospital/medical benefits		37,264,458	35,783,735	153,075,706
10. Other professional services				
11. Outside referrals		829,024	909,309	2,527,401
12. Emergency room and out-of-area		8,467,749	9,360,258	33,555,539
13. Prescription drugs		15,035,194	15,271,434	63,178,102
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		221,701	(1,035,652)	(5,590,056)
16. Subtotal (Lines 9 to 15)	0	61,818,126	60,289,083	246,746,691
Less:				
17. Net reinsurance recoveries		20,612,404	20,831,903	86,098,706
18. Total hospital and medical (Lines 16 minus 17)	0	41,205,722	39,457,180	160,647,985
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....1,123,591 cost containment expenses		1,651,709	920,081	7,985,047
21. General administrative expenses		4,460,456	7,228,120	21,563,702
22. Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)	0	47,317,887	47,605,380	190,196,734
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	3,942,629	(369,583)	944,001
25. Net investment income earned		280,882	292,739	1,084,695
26. Net realized capital gains (losses) less capital gains tax of $.....0			241,028	615,007
27. Net investment gains or (losses) (Lines 25 plus 26)	0	280,882	533,767	1,699,702
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]				
29. Aggregate write-ins for other income or expenses	0	36,006	(98,470)	257,206
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	4,259,516	65,713	2,900,909
31. Federal and foreign income taxes incurred	XXX	1,749,617	1,177,183	2,244,235
32. Net income (loss) (Lines 30 minus 31)	XXX	2,509,899	(1,111,470)	656,674

DETAILS OF WRITE-INS

0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. Licensing fee income				160,000
2902. Miscellaneous Income		36,006	(98,470)	97,206
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	36,006	(98,470)	257,206

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year	58,336,460	56,731,624	56,731,624
34. Net income or (loss) from Line 32	2,509,899	(1,111,470)	656,674
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	173,877	(203,950)	1,744,681
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	327,092	349,387	449,385
39. Change in nonadmitted assets	135,666	1,195,753	(1,245,904)
40. Change in unauthorized and certified reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	3,146,534	229,720	1,604,837
49. Capital and surplus end of reporting period (Line 33 plus 48)	61,482,995	56,961,344	58,336,460

DETAILS OF WRITE-INS

4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	53,779,869	49,604,403	189,876,988
2. Net investment income	278,899	305,464	1,642,257
3. Miscellaneous income			
4. Total (Lines 1 through 3)	54,058,768	49,909,866	191,519,245
5. Benefit and loss related payments	38,266,981	44,257,767	165,972,988
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	15,523,793	5,455,626	26,637,810
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	(568,882)	(0)	2,000,000
10. Total (Lines 5 through 9)	53,221,892	49,713,393	194,610,797
11. Net cash from operations (Line 4 minus Line 10)	836,875	196,473	(3,091,553)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	900,000	1,725,000	3,425,000
12.2 Stocks		492,923	1,514,122
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)	900,000	2,217,923	4,939,122
13. Cost of investments acquired (long-term only):			
13.1 Bonds	1,792,330	973,280	5,022,609
13.2 Stocks		1,790,899	2,770,598
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,792,330	2,764,179	7,793,207
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(892,330)	(546,256)	(2,854,085)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(3,528,065)	9,966,498	2,442,118
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(3,528,065)	9,966,498	2,442,118
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(3,583,520)	9,616,715	(3,503,520)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	34,697,891	38,201,411	38,201,411
19.2 End of period (Line 18 plus Line 19.1)	31,114,371	47,818,126	34,697,891

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

20.0001			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	71,558		69,124					2,434		
2. First Quarter	71,377		67,767					3,610		
3. Second Quarter	0									
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	213,224		202,399					10,825		
Total Member Ambulatory Encounters for Period:										
7. Physician	16,108		16,108							
8. Non-Physician	19,417		19,417							
9. Total	35,525	0	35,525	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	2,808		2,808							
11. Number of Inpatient Admissions	821		821							
12. Health Premiums Written (a)	77,223,149		69,943,681					7,279,467		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	77,223,148		69,943,681					7,279,467		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	58,544,024		53,769,287					4,774,737		
18. Amount Incurred for Provision of Health Care Services	61,818,126		55,829,890					5,988,236		

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....7,279,467.

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0399999. Aggregate Accounts Not Individually Listed-Covered	5,680,253	230,105	184	2,676		5,913,217
0499999. Subtotals	5,680,253	230,105	184	2,676	0	5,913,217
0599999. Unreported Claims and Other Claim Reserves						19,449,993
0699999. Total Amounts Withheld						2,381,468
0799999. Total Claims Unpaid						27,744,678
0899999. Accrued Medical Incentive Pool and Bonus Amounts						1,452,913

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	16,229,995	22,004,363	1,031,210	18,206,677	17,261,205	16,081,855
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan					0	
6. Title XVIII - Medicare	645,136	1,629,042	74,975	625,088	720,111	471,695
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	16,875,131	23,633,405	1,106,185	18,831,765	17,981,316	16,553,550
10. Healthcare receivables (a)		2,908,915			0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts		176,599		1,452,913	0	1,407,811
13. Totals (Lines 9-10+11+12)	16,875,131	20,901,089	1,106,185	20,284,678	17,981,316	17,961,361

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the company are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department.

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

	SSAP #	F/S Page	F/S Line #	2017	2016
NET INCOME					
(1) HMO Partners, Inc state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	$ 2,509,899	$ 656,674
(2) State Prescribed Practices that increase/decrease NAIC SAP					
(3) State Permitted Practices that increase/decrease NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	$ 2,509,899	$ 656,674
SURPLUS					
(5) HMO Partners, Inc state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	$ 61,482,995	$ 58,336,460
(6) State Prescribed Practices that increase/decrease NAIC SAP					
(7) State Permitted Practices that increase/decrease NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	$ 61,482,995	$ 58,336,460

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

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

In addition, the company uses the following accounting policies:

(1) Short-term investments are stated at amortized cost.
(2) Bonds not backed by other loans are stated at amortized cost using the interest method.
(3) Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
(4) The Company does not have preferred stock.
(5) The Company does not have mortgage loans.
(6) The Company does not have loan-backed securities.
(7) The Company does not have any investments in subsidiaries.
(8) The Company does not have any investments in joint ventures, partnerships, or limited liability companies.
(9) The Company does have any derivatives.
(10) The Company does not anticipate investment income as a factor in the premium deficiency calculation.
(11) Claims cost unpaid is the largest estimate for loss liabilities in the HMOP annual statement. The claims liability is set at the regional level, but there are reasonableness checks using a reserve set on an overall basis. When setting liability, the four methods described below are employed. Based on the estimates of these methods and retrospective considerations, the best estimate is set and then an explicit margin is added to ensure that the estimate is good and sufficient. Historically the method relied on the most is the Lag Method.
    a. **Lag (Development) Method:** A claims triangle is constructed for each block of business. Based on the claims payment patterns, the last 3 months of data are completed manually by adjusting the completion factors. This, in turn, provides an estimate of incurred claims and incurred per member numbers. For the months prior to the most recent three, the completion factors used to complete the data are based on the historical claims payment patterns
    b. **3 Month Average Method**: As the base liability estimate, the three month average liability of the third, fourth, and fifth month prior to the current month is used. Adjustments are made for trend, membership change, and backlog to get to the estimate
    c. **IBNR Method:** As the base liability estimate, the liability from one year ago is used and trended forward with adjustments for trend, membership, and backlog.
    d. **Aggregate Method:** Here, twelve months of paid claims are subtracted from 12 months of estimated incurred claims to get the liability estimate.
(12) The Company has not modified its capitalization policy from the prior period.
(13) Pharmacy rebate receivable estimates are based upon a history of rebates billed vs. paid pharmacy claims.

D. Going Concern – N/A

NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

No significant change.

3. Business Combinations and Goodwill

No significant change

4. Discontinued Operations

No significant change

5. Investments

A. The Company has no mortgage loans at this time.
B. The Company has no debt restructuring at this time.
C. The Company has no reverse mortgages at this time.
D. The Company has no loan-backed securities at this time.
E. The Company has no repurchase agreements and/or security lending transactions at this time.
F. The Company has no investments in real estate at this time.
G. The Company has no investments in low-income housing tax credits.
H. The Company has no restricted assets at this time.
I. The Company has no Working Capital Finance Investments at this time.
J. The Company does no offset or net Assets and Liabilities.
K. The Company does not hold Structured Notes at this time.
L. The Company does not hold 5* Securities at this time.

6. Joint Ventures, Partnerships, and Limited Liability Companies

No significant change

7. Investment Income

No significant change

8. Derivative Instruments

No significant change

Note 9: Income Taxes

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

1.

	03/31/17			
	(1) Ordinary	(2) Capital	(3) 1+2)	(Col Total
(a) Gross Deferred Tax Assets	2,390,633	94,608		2,485,242
(b) Statutory Valuation Allowance Adjustment	0	0		0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	2,390,633	94,608		2,485,242
(d) Deferred Tax Assets Nonadmitted	793,588	0		793,588
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	1,597,045	94,608		1,691,653
(f) Deferred Tax Liabilities	26,032	3,286,540		3,312,573
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	1,571,013	(3,191,932)		(1,620,919)

	12/31/16		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	2,063,518	94,608	2,158,126
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	2,063,518	94,608	2,158,126
(d) Deferred Tax Assets Nonadmitted	799,713	0	799,713
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	1,263,805	94,608	1,358,413
(f) Deferred Tax Liabilities	19,908	3,199,025	3,218,933
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	1,243,897	(3,104,417)	(1,860,519)

	Change

NOTES TO FINANCIAL STATEMENTS

	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
(a) Gross Deferred Tax Assets	327,115	0	327,115
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	327,115	0	327,115
(d) Deferred Tax Assets Nonadmitted	(6,125)	0	(6,125)
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	333,240	0	333,240
(f) Deferred Tax Liabilities	6,125	87,516	93,640
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	327,115	(87,516)	239,600

2.

	03/31/17		
	(1) Ordinary	(2) Capital	(3) 1+2) (Col Total
Admission Calculation Components - SSAP 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	1,571,013	0	1,571,013
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	0	0	0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	0	0	0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	0	0	8,461,096
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	26,032	94,608	120,640
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	1,597,045	94,608	1,691,653

	12/31/16		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components - SSAP 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	1,243,898	0	1,243,898
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	0	0	0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	0	0	0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	0	0	8,461,096
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	19,908	94,608	114,516
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	1,263,806	94,608	1,358,414

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
Admission Calculation Components - SSAP 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	327,115	0	327,115
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	0	0	0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	0	0	0

NOTES TO FINANCIAL STATEMENTS

2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	0	0	0
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	6,124	0	6,124
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	333,239	0	333,239

3.

	2017	2016
(a) Ratio Percentage used to determine Recovery Period and Threshold Limitation Amount	828%	890%
(b) Amount of Adjusted Capital and Surplus used to determine Recovery Period and Threshold Limitation in 2(b)2 above	56,407,307	56,407,307

4.

	03/31/17			
	(1) Ordinary	(2) Capital	(3) 1+2)	(Col Total
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	0%	0%		0%
1. Adjusted Gross DTAa Amount From Note 9A1(c)	0%	0%		0%
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%		0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	0%	0%		0%
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%		0%

	12/31/16		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
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	0%	0%	0%
1. Adjusted Gross DTAa Amount From Note 9A1(c)	0%	0%	0%
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	0%	0%	0%
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
Impact of Tax Planning Strategies			
(a) Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage	0%	0%	0%
1. Adjusted Gross DTAa Amount From Note 9A1(c)	0%	0%	0%
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	0%	0%	0%
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes ____ No X

B. Regarding deferred tax liabilities that are not recognized:
Not applicable

NOTES TO FINANCIAL STATEMENTS

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

1. Current Income Tax:

	(1) 03/31/17	(2) 12/31/16	(3) 1-2)	(Col Change
(a) Federal	1,749,617	2,163,760	(414,143)	
(b) Foreign	-	-		-
(c) Subtotal	1,749,617	2,163,760	(414,143)	
(d) Federal Income Tax on net capital gains	-	331,158	(331,158)	
(e) Utilization of capital loss carry-forwards	-	-		-
(f) Other	-	80,475	(80,475)	
(g) Federal & Foreign income tax incurred	1,749,617	2,575,393	(825,776)	

2. Deferred Tax Assets:

	(1) 03/31/17	(2) 12/31/16	(3) 1-2)	(Col Change
(a) Ordinary:				
(1) Discounting of unpaid losses	293,159	298,786	(5,627)	
(2) Unearned premium reserves	558,384	202,087	356,298	
(3) Policyholder reserves	-	-		-
(4) Investments	-	-		-
(5) Deferred Acquisition Costs	-	-		-
(6) Policyholder dividends accrual	-	-		-
(7) Fixed Assets	-	-		-
(8) Compensation and benefits accrual	1,070,838	1,066,349	4,489	
(9) Pension accrual	-	-		-
(10) Receivables - nonadmitted	-	-		-
(11) Net operating loss carry-forward	-	-		-
(12) Tax credit carry-forward	-	-		-
(13) Other	468,252	496,297	(28,044)	
(99) Subtotal - Ordinary	2,390,633	2,063,518	327,115	
(b) Statutory valuation allowance adjustment	-	-		-
(c) Nonadmitted - Ordinary	793,588	799,713	(6,125)	
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	1,597,045	1,263,805	333,240	
(e) Capital:	-	-		-
(1) Investments	94,608	94,608		-
(2) Net capital loss carry-forward	-	-		-
(3) Real estate	-	-		-
(4) Other	-	-		-
(99) Subtotal - Capital	94,608	94,608		-
(f) Statutory valuation allowance adjustment	-	-		-
(g) Nonadmitted - Capital	-	-		-
(h) Admitted capital deferred tax assets (2a99-2b-2c)	94,608	94,608		-
(i) Admitted deferred tax assets (2d + 2h)	1,691,653	1,358,413	333,240	

3. Deferred Tax Liabilities:

NOTES TO FINANCIAL STATEMENTS

	(1) 03/31/17	(2) 12/31/16	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Investments			
Accrued Dividends	5,810	5,792	18
Unrealized Gains/(Losses)-SSP	20,223	14,116	6,107
Total Investments	26,032	19,908	6,125
(2) Fixed Assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	-	-	-
(99) Subtotal - Ordinary	26,032	19,908	6,125
(b) Capital:	-	-	-
(1) Investments	3,286,540	3,199,025	87,516
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal - Capital	3,286,540	3,199,025	87,516
(c) Deferred tax liabilities (3a99 + 3b99h)	3,312,573	3,218,933	93,640
4. Net Deferred Tax Assets/Liabilities (2i - 3c)	(1,620,919)	(1,860,519)	239,600

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Among the more significant book to tax adjustments were the following:

	03/31/17	
	Amounts	Effective Tax Rate %
Provision computed at statutory rate	1,490,831	35.0%
Tax exempt income deduction	0	0.0%
Dividends received deduction	(15,503)	-0.4%
Tax differentials on foreign earnings	0	0.0%
Nondeductible expenses	4,414	0.1%
Tax Credits	(5,599)	-0.1%
Rate Differential	(51,624)	-1.2%
Other	0	0.0%
Total	1,422,519	33.4%
Federal and foreign income taxes incurred	1,749,617	41.1%
Realized capital gains/(losses) tax	0	0.0%
Change in net deferred income taxes	(327,098)	-7.7%
Total statutory income taxes	1,422,519	33.4%

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

1. At the end of the current period the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

2. The following is income tax expense for 2016 and 2015 that is available for recoupment in the event of future net losses.

future net losses.

Year	Amount
2017	1,650,926
2016	2,358,701

NOTES TO FINANCIAL STATEMENTS

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. The Company does not file a Consolidated Federal Income Tax Return

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

10. Information Concerning Parent, Subsidiaries and Affiliates

No significant change

11. Debt

A. As of March 31, 2017, the Company has no capital notes. As of March 31, 2017, the Company's liability for borrowed money was zero ($-0-).
B. As of March 31, 2017, the Company has no FHLB agreements.

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

A. Defined Benefit Plan – N/A
B. Investment Policies and Strategies – N/A
C. Fair Value of Plan Assets – N/A
D. Basis Used to Determine Expected Long-Term Rate-of-Return – N/A
E. Defined Contribution Plan – No significant change.
F. Multiemployer Plans – the Company does not participate in multiemployer plans.
G. Consolidate/Holding Company Plans – N/A
H. Postemployment Benefits and Compensated Absences – the Company does not offer a postretirement benefit plan.
I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – N/A

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganization

No significant change

14. Contingencies

A. Contingent Commitments - None
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

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no asset that it considers to be impaired.

15. Leases

No significant change

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

No significant change

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

A. The Company did not have any transfers of Receivables reported as Sales.
B. The Company did not have any transfers or servings of Financial Assets.
C. The Company did not have any Wash Sales.

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

No significant change

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

No significant change

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurement

A.

1. Fair Value Measurements at Reporting Date

Description	Level 1	Level 2	Level 3	Total
a. Assets at Fair Value				
Perpetual Preferred Stock	$0	$0	$0	$0
Industrial and Misc.	$0	$0	$0	$0
Parent, Subsidiaries and Affiliates	$0	$0	$0	$0
Total Perpetual Preferred Stocks				
Bonds				
U.S. Governments				
Industrial and Misc.				
Hybrid Securities				
Parent, Subsidiaries and Affiliates				
Total Bonds				
Common Stock				
Industrial and Misc.	$11,486,038	$5,711,535	$0	$17,197,572
Parent, Subsidiaries and Affiliates	$0	$0	$0	$0
Supplemental Savings Plan	$448,119	$0	$0	$448,119
Total Common Stock				
Total Assets at Fair Value	$11,934,157	$5,711,535	$0	$17,645,691

Derivative Assets (none)

Liabilities (none)

2. The Company does not have fair value measures in Level 3.

3. The Company does not have any transfers between levels of fair value measurement.

4. As of March 31, 2017, the reported fair value of the reporting entities investments in Level 2 common stock was $5,711,535. These securities are foreign common stock. To measure their fair value the reporting entity used current market prices in U.S. dollars.

B. N/A

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable Carrying Value
Bonds	$ 47,980,218	$ 47,980,218		$ 47,980,218		
Common Stock	$ 17,197,572	$ 17,197,572	$ 11,486,038	$ 5,711,535		
Supplemental Savings Plan	$ 448,119	$ 448,119	$ 448,119			
Total	$ 65,625,909	$ 65,625,909	$ 11,934,157	$ 53,691,753	$0	$0

D. The Company does not have any of these securities at this time.

21. Other Items

No significant change

22. Events Subsequent

No significant change

23. Reinsurance

No significant change

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The company estimates accrued retrospective premium adjustments for its group health insurance business though a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.

The company also has health insurance business that is subject to a medical loss ratio pursuant to the Public Health Service Act.

B. The company records accrued retrospective premium as an adjustment to earned premium.

C. The amount of net premiums written by the company at March 31, 2017 that are subject to retrospective rating features was $51,260,516 that represented 100% of the total net premium written. No other net premiums written by the company are subject to retrospective rating features.

NOTES TO FINANCIAL STATEMENTS

D.

Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act.

		1	2	3	4	5
		Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year						
(1)	Medical loss ratio rebates incurred	$	$	$	$	$
(2)	Medical loss ratio rebates paid					
(3)	Medical loss ratio rebates unpaid					
(4)	Plus reinsurance assumed amounts					
(5)	Less reinsurance ceded amounts					
(6)	Rebates unpaid net of reinsurance					
Current Reporting Year-to-Date						
(7)	Medical loss ratio rebates incurred	$	$	$	$	$
(8)	Medical loss ratio rebates paid					
(9)	Medical loss ratio rebates unpaid					
(10)	Plus reinsurance assumed amounts					
(11)	Less reinsurance ceded amounts					
(12)	Rebates unpaid net of reinsurance					

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions YES

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

			AMOUNT
a.	Permanent ACA Risk Adjustment Program		
	Assets		
	1.	Premium adjustments receivable due to ACA Risk Adjustment	528,590
	Liabilities		
	2.	Risk adjustment user fees payable for ACA Risk Adjustment	
	3.	Premium adjustments payable due to ACA Risk Adjustment	
	Operations (Revenue & Expenses)		
	4.	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	94,264
	5.	Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	
b.	Transitional ACA Reinsurance Program		
	Assets		
	1.	Amounts recoverable for claims paid due to ACA Reinsurance	
	2.	Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	
	3.	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	
	Liabilities		
	4.	Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	262,071
	5.	Ceded reinsurance premiums payable due to ACA Reinsurance	
	6.	Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	
	Operations (Revenue & Expenses)		
	7.	Ceded reinsurance premiums due to ACA Reinsurance	
	8.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	
	9.	ACA Reinsurance contributions – not reported as ceded premium	
c.	Temporary ACA Risk Corridors Program		
	Assets		
	1.	Accrued retrospective premium due to ACA Risk Corridors	
	Liabilities		
	2.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	

NOTES TO FINANCIAL STATEMENTS

Operations (Revenue & Expenses)			
3.	Effect of ACA Risk Corridors on net premium income (paid/received)		
4.	Effect of ACA Risk Corridors on change in reserves for rate credits		

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

		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
						Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
		1	2	3	4	5	6	7	8	9	10	11
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a.	Permanent ACA Risk Adjustment Program											
	1. Premium adjustments receivable	643,498				643,498		(209,172)		A	434,326	
	2. Premium adjustments (payable)									B		
	3. Subtotal ACA Permanent Risk Adjustment Program	643,498				643,498		(209,172)			434,326	
b.	Transitional ACA Reinsurance Program											
	1. Amounts recoverable for claims paid									C		
	2. Amounts recoverable for claims unpaid (contra liability)									D		
	3. Amounts receivable relating to uninsured plans									E		
	4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premiums		1,310,356		1,048,285		262,071			F		262,071
	5. Ceded reinsurance premiums payable									G		
	6. Liability for amounts held under uninsured plans									H		
	7. Subtotal ACA Transitional Reinsurance Program		1,310,356		1,048,285		262,071					262,071
c.	Temporary ACA Risk Corridors Program											
	1. Accrued retrospective premium									I		
	2. Reserve for rate credits or policy experience rating refunds									J		
	3. Subtotal ACA Risk Corridors Program											
d.	Total for ACA Risk Sharing Provisions	643,498	1,310,356		1,048,285	643,498	262,071	(209,172)			434,326	262,071

Explanations of Adjustments

A. To remove receivable for MA Risk Adjustment.

B.

C.

D.

E.

F.

G.

H.

I.

J.

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

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

NOTES TO FINANCIAL STATEMENTS

		experience rating refunds											
c.	2016												
	1.	Accrued retrospective premium	$	$	$	$	$	$	$	$	E	$	$
	2.	Reserve for rate credits or policy experience rating refunds									F		
d.	Total for Risk Corridors		$	$	$	$	$	$	$	$		$	$

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

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts Received from CMS	4 Asset Balance (Gross of Non-Admissions) (1-2-3)	5 Non-Admitted Amount	5 Net Admitted Asset (4–5)
a.. 2014	$	$	$	$	$	$
b. 2015	$	$	$	$	$	$
c. 2016	$	$	$	$	$	$
d. Total (a+b+c)	$	$	$	$	$	$

25. Change in Incurred Claims and Claim Adjustment Expenses

12/31/16 Reserves	16,553,550
2016 Claims paid in 2017	(16,875,131)
Claims due and unpaid at year-end 2016 – paid in 2017	(2,556,167)
Net	**(2,877,748)**
2016 Reserves Remaining	1,106,185
Unfavorable Development	**(1,771,563)**

26. Intercompany Pooling Arrangements

No significant change

27. Structured Settlements

No significant change

28. Health Care Receivables

No significant change

29. Participating Policies

No significant change

30. Premium Deficiency Reserves

No significant change

31. Anticipated Salvage and Subrogation

No significant change

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change:

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

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

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

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

4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes [ ] No [X] N/A [ ]

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/20/2016

6.4 By what department or departments?

Arkansas Insurance Department

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

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

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

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

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

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

		1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21	Bonds	$ 0	$ 0
14.22	Preferred Stock	0	0
14.23	Common Stock	0	0
14.24	Short-Term Investments	0	0
14.25	Mortgage Loans on Real Estate	0	0
14.26	All Other	0	0
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]

If no, attach a description with this statement.

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

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

16.3 Total payable for securities lending reported on the liability page: $ 0

17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
US Bank Institutional Trust and Custody	St. Louis, MO

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Name of Firm or Individual	2 Affiliation
Foundation Resource Managment	U
Gray D. Dillard	I

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

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [X] No [ ]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
116359	Foundation Resource Management		SEC	No

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

18.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1.	Operating Percentages:		
	1.1 A&H loss percent		82.6 %
	1.2 A&H cost containment percent		2.2 %
	1.3 A&H expense percent excluding cost containment expenses		9.7 %
2.1	Do you act as a custodian for health savings accounts?	Yes [ ]	No [X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.		0
2.3	Do you act as an administrator for health savings accounts?	Yes [ ]	No [X]
2.4	If yes, please provide the amount of funds administered as of the reporting date.		0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

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

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only 2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 through 7	9 Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	L	69,129,509	7,279,467					76,408,976	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	N							0	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	69,129,509	7,279,467	0	0	0	0	76,408,976	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	805,430						805,430	
61. Total (Direct Business)	(a) 1	69,934,938	7,279,467	0	0	0	0	77,214,406	0
DETAILS OF WRITE-INS									
58001.								0	
58002.								0	
58003.								0	
58998. Summary of remaining write-ins for line 58 from overflow page		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above)		0	0	0	0	0	0	0	0

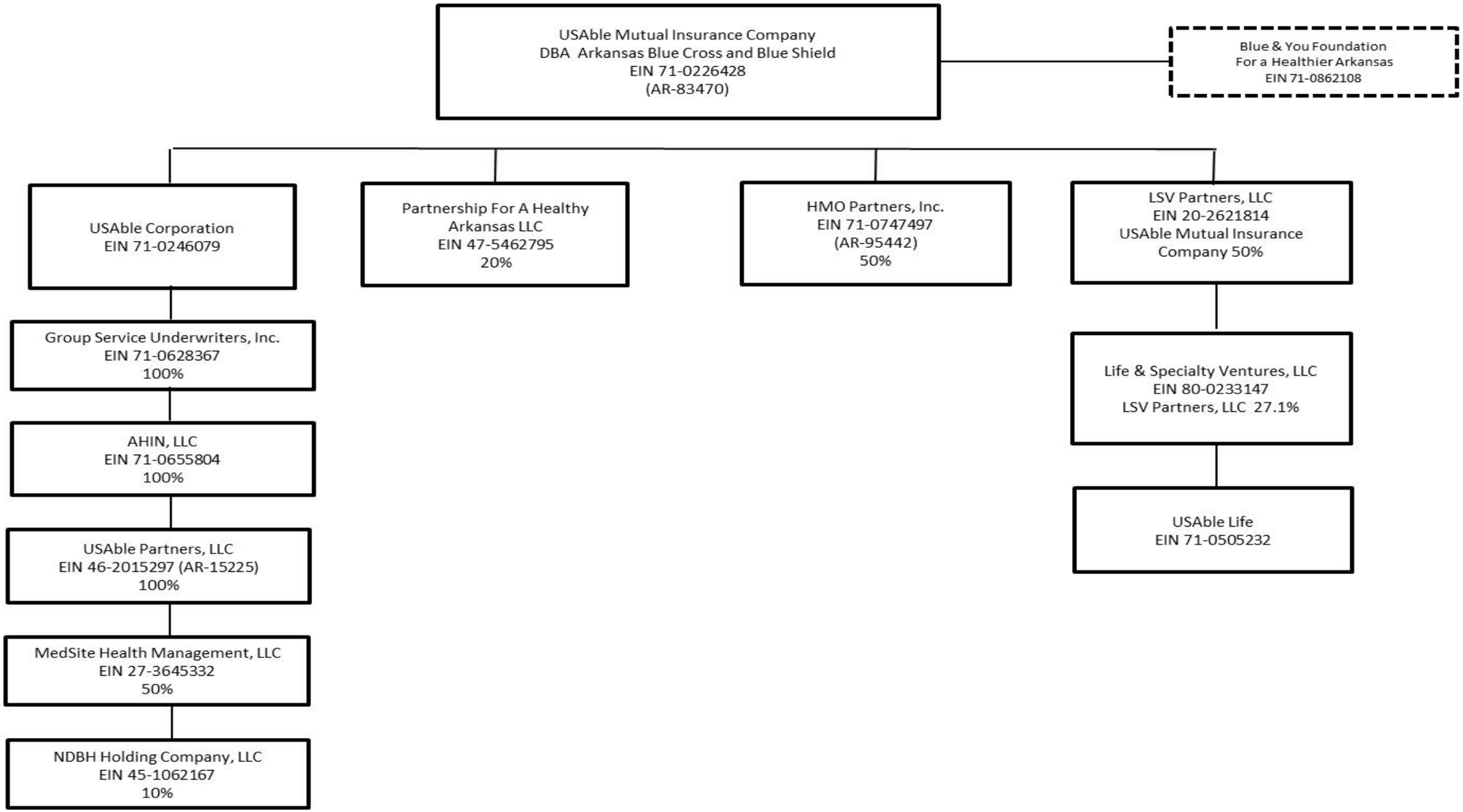
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

PART 1 – ORGANIZATIONAL CHART



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SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

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

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1. The data for this supplement is not required to be filed.

Bar Code:

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	0	
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition		
	2.2 Additional investment made after acquisition		
3.	Current year change in encumbrances		
4.	Total gain (loss) on disposals		
5.	Deduct amounts received on disposals		
6.	Total foreign exchange change in book/adjusted carrying value		
7.	Deduct current year's other-than-temporary impairment recognized		
8.	Deduct current year's depreciation		
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	58,209,223	52,430,663
2.	Cost of bonds and stocks acquired	1,792,330	7,793,207
3.	Accrual of discount	7,121	27,019
4.	Unrealized valuation increase (decrease)	246,257	2,536,137
5.	Total gain (loss) on disposals		945,793
6.	Deduct consideration for bonds and stocks disposed of	900,000	4,939,122
7.	Deduct amortization of premium	148,643	584,474
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other-than-temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	59,206,288	58,209,223
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	59,206,288	58,209,223

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	37,380,960	6,563,567	7,714,830	(881,668)	35,348,029			37,380,960
2. NAIC 2 (a)	8,400,494	1,475,668		749,980	10,626,142			8,400,494
3. NAIC 3 (a)	2,007,588			(1,542)	2,006,046			2,007,588
4. NAIC 4 (a)					0			
5. NAIC 5 (a)					0			
6. NAIC 6 (a)					0			
7. Total Bonds	47,789,042	8,039,235	7,714,830	(133,230)	47,980,218	0	0	47,789,042
PREFERRED STOCK								
8. NAIC 1					0			
9. NAIC 2					0			
10. NAIC 3					0			
11. NAIC 4					0			
12. NAIC 5					0			
13. NAIC 6					0			
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	47,789,042	8,039,235	7,714,830	(133,230)	47,980,218	0	0	47,789,042

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:
NAIC 1 $.....5,971,502; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	5,972,423	XXX	5,971,502	652	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	6,534,427	15,658,557
2. Cost of short-term investments acquired	6,246,905	26,062,986
3. Accrual of discount	5,921	23,083
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		372
6. Deduct consideration received on disposals	6,814,830	35,207,053
7. Deduct amortization of premium		3,518
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	5,972,423	6,534,427
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	5,972,423	6,534,427

Sch. DB - Pt. A - Verification
NONE

Sch. DB - Pt. B - Verification
NONE

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

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

Sch. DB - Verification
NONE

Sch. E - Verification
NONE

Sch. A - Pt. 2
NONE

Sch. A - Pt. 3
NONE

Sch. B - Pt. 2
NONE

Sch. B - Pt. 3
NONE

Sch. BA - Pt. 2
NONE

Sch. BA - Pt. 3
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous									
00287Y AX 7	ABBVIE INC		01/09/2017	RAYMOND JAMES/FI		244,588	250,000	1,148	2FE
12189L AQ 4	BURLINGTON NORTHERN SANTA FE LLC		03/17/2017	BNY/SUNTRUST CAPITAL MARKETS		316,662	300,000	674	1FE
58013M EL 4	MCDONALDS CORP		03/06/2017	STIFEL NICOLAUS & COMPANY INC		523,365	500,000	5,488	2FE
718546 AC 8	PHILLIPS 66		03/09/2017	J.P. MORGAN SECURITIES INC		528,880	500,000	9,735	2FE
91913Y AN 0	VALERO ENERGY CORP		01/06/2017	Southwest Securities		178,836	155,000	4,682	2FE
3899999.	Total - Bonds - Industrial and Miscellaneous					1,792,330	1,705,000	21,727	XXX
8399997.	Total - Bonds - Part 3					1,792,330	1,705,000	21,727	XXX
8399999.	Total - Bonds					1,792,330	1,705,000	21,727	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					1,792,330	XXX	21,727	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous																					
141781 BA 1	CARGILL INC	..	03/01/2017.	Maturity @ 100.0		500,000	500,000	513,955	500,526		(526)		(526)		500,000			0	4,750	03/01/2017.	1FE
532457 BB 3	ELI LILLY AND CO	..	03/15/2017.	Maturity @ 100.0		400,000	400,000	469,712	403,374		(3,374)		(3,374)		400,000			0	10,400	03/15/2017.	1FE
3899999.	Total - Bonds - Industrial and Miscellaneous					900,000	900,000	983,667	903,901	0	(3,901)	0	(3,901)	0	900,000	0	0	0	15,150	XXX	XXX
8399997.	Total - Bonds - Part 4					900,000	900,000	983,667	903,901	0	(3,901)	0	(3,901)	0	900,000	0	0	0	15,150	XXX	XXX
8399999.	Total - Bonds					900,000	900,000	983,667	903,901	0	(3,901)	0	(3,901)	0	900,000	0	0	0	15,150	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					900,000	XXX	983,667	903,901	0	(3,901)	0	(3,901)	0	900,000	0	0	0	15,150	XXX	XXX

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

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

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

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

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

Sch. DL - Pt. 1
NONE

Sch. DL - Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
Bank of America Little Rock, AR		0.010	6,589	4,422	26,048,745	35,821,565	23,624,055	XXX
Simmons First National Bank Pine Bluff, AR					881,283	983,978	1,082,859	XXX
US Bank Little Rock, AR					735,607	688,380	435,032	XXX
0199999. Total Open Depositories	XXX	XXX	6,589	4,422	27,665,635	37,493,923	25,141,946	XXX
0399999. Total Cash on Deposit	XXX	XXX	6,589	4,422	27,665,635	37,493,923	25,141,946	XXX
0599999. Total Cash	XXX	XXX	6,589	4,422	27,665,635	37,493,923	25,141,946	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE