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QUARTERLY STATEMENT

AS OF MARCH 31, 2015

OF THE CONDITION AND AFFAIRS OF THE

QualChoice Life and Health Insurance Company, Inc.

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

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

Country of Domicile United States of America

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

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

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

Main Administrative Office 12615 Chenal Parkway, Suite 300 (Street and Number)
Little Rock, AR, 72211 (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 12615 Chenal Parkway, Suite 300 (Street and Number or P.O. Box), Little Rock, AR, 72211 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 12615 Chenal Parkway, Suite 300 (Street and Number)
Little Rock, AR, 72211 (City or Town, State, Country and Zip Code) (501)228-7111 (Area Code) (Telephone Number)

Internet Web Site Address www.qualchoice.com

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

OFFICERS

Name	Title
Michael Edward Stock	President
Randall Alvin Crow	Treasurer
Elizabeth Goldner Hubbard	Secretary

OTHERS

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

DIRECTORS OR TRUSTEES

Mark Fred Bjornson
Steven Charles Schramm
Charles Hanson
Christine William Mulheren
Philip Linwood Foster

State of Arkansas
County of Pulaski ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of 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)	(Signature)	(Signature)
Michael Edward Stock	Randall Alvin Crow	Liz Hubbard
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Treasurer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2015

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 _____

(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1.	Bonds	100,948		100,948	100,912
2.	Stocks:				
	2.1 Preferred stocks				
	2.2 Common stocks				
3.	Mortgage loans on real estate:				
	3.1 First liens				
	3.2 Other than first liens				
4.	Real estate:				
	4.1 Properties occupied by the company (less $.....0 encumbrances)				
	4.2 Properties held for the production of income (less $.....0 encumbrances)				
	4.3 Properties held for sale (less $.....0 encumbrances)				
5.	Cash ($.....11,814,668), cash equivalents ($.....0) and short-term investments ($.....0)	11,814,668		11,814,668	7,276,537
6.	Contract loans (including $.....0 premium notes)				
7.	Derivatives				
8.	Other invested assets				
9.	Receivables for securities				
10.	Securities lending reinvested collateral assets				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	11,915,616		11,915,616	7,377,449
13.	Title plants less $.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	21		21	84
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	20,103		20,103	13,504
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)				
	15.3 Accrued retrospective premiums				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	20,581		20,581	
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts	25,000		25,000	
17.	Amounts receivable relating to uninsured plans				61,458
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset	230,776	230,776		
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets ($.....0)				
22.	Net adjustments in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				26,602
24.	Health care ($.....0) and other amounts receivable	10,799	5,416	5,383	5,383
25.	Aggregate write-ins for other than invested assets	75,000	75,000		
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	12,297,896	311,192	11,986,704	7,484,480
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	12,297,896	311,192	11,986,704	7,484,480
DETAILS OF WRITE-INS					
1101.	Rounding				
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Insurance Charter	75,000	75,000		
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	75,000	75,000		

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....0 reinsurance ceded)	2,882,327	341,441	3,223,768	971,201
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	91,023		91,023	33,859
4.	Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	169,892		169,892	38,320
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))				
10.2	Net deferred tax liability	439,122		439,122	
11.	Ceded reinsurance premiums payable	67,687		67,687	67,749
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 $.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	85,539		85,539	17,651
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties with ($.....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	713,677		713,677	
23.	Aggregate write-ins for other liabilities (including $.....0 current)				73,306
24.	Total liabilities (Lines 1 to 23)	4,449,267	341,441	4,790,708	1,202,086
25.	Aggregate write-ins for special surplus funds	XXX	XXX	26,627	106,509
26.	Common capital stock	XXX	XXX	103,750	103,750
27.	Preferred capital stock	XXX	XXX	1,500,000	1,500,000
28.	Gross paid in and contributed surplus	XXX	XXX	1,447,206	1,447,206
29.	Surplus notes	XXX	XXX	5,000,000	5,000,000
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX		
31.	Unassigned funds (surplus)	XXX	XXX	(881,587)	(1,875,071)
32.	Less treasury stock, at cost:				
	32.1 .....0 shares common (value included in Line 26 $.....0)	XXX	XXX		
	32.2 .....0 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	7,195,996	6,282,394
34.	Total Liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	11,986,704	7,484,480
DETAILS OF WRITE-INS					
2301.	Rounding				
2302.	ACA Risk Sharing				73,306
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				73,306
2501.	ACA Section 9010 Assessment	XXX	XXX	26,627	106,509
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	26,627	106,509
3001.		XXX	XXX		
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

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	18,876	6,346	25,884
2.	Net premium income (including $.....0 non-health premium income)	XXX	5,990,821	1,402,446	6,051,417
3.	Change in unearned premium reserves and reserves 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			
7.	Aggregate write-ins for other non-health revenues	XXX	5,517	4,909	16,018
8.	Total revenues (Lines 2 to 7)	XXX	5,996,338	1,407,355	6,067,435
Hospital and Medical:					
9.	Hospital/medical benefits	34,626	2,985,026	1,050,004	5,412,301
10.	Other professional services				
11.	Outside referrals				
12.	Emergency room and out-of-area	2,289	197,304	22,742	142,195
13.	Prescription drugs		537,523	192,916	812,876
14.	Aggregate write-ins for other hospital and medical				
15.	Incentive pool, withhold adjustments and bonus amounts				
16.	Subtotal (Lines 9 to 15)	36,915	3,719,853	1,265,662	6,367,372
Less:					
17.	Net reinsurance recoveries		36,474	37,199	640,508
18.	Total hospital and medical (Lines 16 minus 17)	36,915	3,683,379	1,228,463	5,726,864
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including $.....157,714 cost containment expenses		228,366	63,890	269,980
21.	General administrative expenses		816,787	273,649	986,373
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)	36,915	4,728,532	1,566,002	6,983,217
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	1,267,806	(158,647)	(915,782)
25.	Net investment income earned		1,759	637	4,568
26.	Net realized capital gains (losses) less capital gains tax of $.....0				
27.	Net investment gains or (losses) (Lines 25 plus 26)		1,759	637	4,568
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)	XXX	1,269,565	(158,010)	(911,214)
31.	Federal and foreign income taxes incurred	XXX	439,122		
32.	Net income (loss) (Lines 30 minus 31)	XXX	830,443	(158,010)	(911,214)
DETAILS OF WRITE-INS					
0601.		XXX			
0602.		XXX			
0603.		XXX			
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX			
0701.	Commission on Life Product	XXX	5,517	4,909	16,018
0702.		XXX			
0703.		XXX			
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	5,517	4,909	16,018
1401.					
1402.					
1403.					
1498.	Summary of remaining write-ins for Line 14 from overflow page				
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901.	Rounding				
2902.	0				
2903.					
2998.	Summary of remaining write-ins for Line 29 from overflow page				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	6,282,394	1,703,892	1,703,893
34.	Net income or (loss) from Line 32	830,443	(158,010)	(911,214)
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of $.....0			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax	103,178	60,045	228,681
39.	Change in nonadmitted assets	(20,019)		(313,966)
40.	Change in unauthorized and certified reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes			5,000,000
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		500,000	575,000
	45.2 Transferred to capital (Stock Dividend)			
	45.3 Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus		3	
48.	Net change in capital and surplus (Lines 34 to 47)	913,602	402,038	4,578,501
49.	Capital and surplus end of reporting period (Line 33 plus 48)	7,195,996	2,105,930	6,282,394
DETAILS OF WRITE-INS				
4701.	rounding		3	
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)		3	

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	5,984,160	1,407,693	6,069,568
2.	Net investment income	1,822	664	4,429
3.	Miscellaneous income	14,704	16,194	7,317
4.	TOTAL (Lines 1 to 3)	6,000,686	1,424,551	6,081,314
5.	Benefit and loss related payments	1,378,087	1,044,954	5,326,247
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	106,282	322,079	1,365,648
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	(103,178)	(60,045)	
10.	TOTAL (Lines 5 through 9)	1,381,191	1,306,988	6,691,895
11.	Net cash from operations (Line 4 minus Line 10)	4,619,495	117,563	(610,581)
	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			
	13.6 Miscellaneous applications			
	13.7 TOTAL investments acquired (Lines 13.1 to 13.6)			
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)			
	Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes			5,000,000
	16.2 Capital and paid in surplus, less treasury stock		500,000	575,000
	16.3 Borrowed funds			
	16.4 Net deposits on deposit-type contracts and other insurance liabilities			
	16.5 Dividends to stockholders			
	16.6 Other cash provided (applied)	(81,364)	(529,030)	37,915
17.	Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(81,364)	(29,030)	5,612,915
	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)	4,538,131	88,533	5,002,334
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	7,276,537	2,274,203	2,274,203
	19.2 End of period (Line 18 plus Line 19.1)	11,814,668	2,362,736	7,276,537

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	2,333		1,842	491						
2. First Quarter	8,597	5,855	1,730	1,012						
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	18,876	10,683	5,233	2,960						
Total Member Ambulatory Encounters for Period:										
7. Physician	7,674	4,695	2,300	679						
8. Non-Physician	4,027	2,590	1,268	169						
9. Total	11,701	7,285	3,568	848						
10. Hospital Patient Days Incurred	272	158	77	37						
11. Number of Inpatient Admissions	68	39	19	10						
12. Health Premiums Written (a)	6,198,392	4,260,519	1,543,054	394,819						
13. Life Premiums Direct	193,040		193,040							
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	6,198,392	4,260,519	1,543,054	394,819						
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	1,467,206	907,039	444,307	115,860						
18. Amount Incurred for Provision of Health Care Services	3,719,853	2,326,878	1,139,806	253,169						

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

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered	158,398	91,727	41,111	26,113	24,092	341,441
0399999 Aggregate Accounts Not Individually Listed - Covered	1,098,730	636,267	285,166	181,133	167,113	2,368,409
0499999 Subtotals	1,257,128	727,994	326,277	207,246	191,205	2,709,850
0599999 Unreported claims and other claim reserves						513,918
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						3,223,768
0899999 Accrued Medical Incentive Pool And Bonus Amounts						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec 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 Dec 31 of Prior Year
1.	Comprehensive (hospital & medical)	1,248,888	110,569	1,463,086	1,507,513	2,711,974	833,703
2.	Medicare Supplement	14,320	101,539	31,292	221,877	45,612	137,498
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid						
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	1,263,208	212,108	1,494,378	1,729,390	2,757,586	971,201
10.	Healthcare receivables (a)	8,110		45,581	10,799	53,691	19,986
11.	Other non-health						
12.	Medical incentive pools and bonus amounts						
13.	Totals (Lines 9 - 10 + 11 + 12)	1,255,098	212,108	1,448,797	1,718,591	2,703,895	951,215

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

Notes to Financial Statement

QUALCHOICE LIFE AND HEALTH INSURANCE COMPANY, INC.

Notes to Financial Statements - Statutory Basis

(1) Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

Notes to Financial Statement

Company as part of the settlement and administration of such risk sharing arrangements and accordingly are recorded as a reduction of cost of benefits provided.

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

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

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

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

(2) Accounting Changes and Corrections of Errors

None.

(3) Business Combinations and Goodwill

None.

(4) Discontinued Operations

None.

Notes to Financial Statement

(5) Investments

No significant changes.

(6) Joint Ventures, Partnerships and Limited Liability Companies

No significant changes.

(7) Investment Income

Realized losses and gains in Investment Income due to a realized loss or gain on the sale of ETF's are reported on the Income statement as required. Unrealized losses and gains are recorded are recorded on page 5.

(8) Derivative Instruments

None.

(9) Income Taxes

No significant changes.

(10) Information Concerning Parent, Subsidiaries and Affiliates

None.

(11) Debt

None.

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

No significant changes.

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

No significant changes.

(14) Contingencies

No significant changes.

(15) Leases

None.

(16) Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None.

(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None.

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

No significant changes.

Notes to Financial Statement

(19) Direct Premium Written/Produced By Managing General Agents/Third Party Administrators

None

(20) Fair Value Measurements

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

(21) Other Items

J. Risk Sharing Provisions of the Affordable Care Act

1. Permanent Risk Adjustment Program

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

2. Transitional Reinsurance Program

Assets	
a. Amounts recoverable for claims paid	$0
b. Amounts recoverable for claims unpaid	$0
c. Amounts receivable relating to uninsured plans	$0
Liabilities	
d. Claims unpaid-ceded	$0
e. Contributions payable-not reported as ceded	$0
f. Ceded reinsurance premiums payable	$0
g. Liability for amounts held under uninsured plans	$0
Operations (Revenue & Expense)	
h. Ceded reinsurance premiums	$0
i. Reinsurance recoveries	$0
j. Contributions-not reported as ceded premiums	$0

3. Temporary Risk Corridors Program

Assets

Notes to Financial Statement

a. Accrued retrospective premium $0

Liabilities

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

Operations (Revenue & Expense)

c. Net premium income (paid/received) $0

d. Change in reserves for rate credits $0

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

(22) Events Subsequent

None

(23) Reinsurance

No significant changes.

(24) Retrospectively Rated Contracts & Contracts Subject To Redetermination

None.

(25) Change In Incurred Claims and Claim Adjustment Expenses

None.

(26) Intercompany Pooling Arrangements

None.

(27) Structured Settlements

None.

(28) Health Care Receivables

No significant changes.

(29) Participating Policies

None.

(30) Premium Deficiency Reserves

There have been no changes in premium deficiency reserves since year end.

(31) Anticipated Salvage and Subrogation

None.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change: .....

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[ ] No[X]

If yes, complete Schedule Y, Parts 1 and 1A.

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

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

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

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009

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. 12/31/2009

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). 07/01/2010

6.4 By what department or departments?

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

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

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

7.2 If yes, give full information

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

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

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....	.....	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

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

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

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

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

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

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

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.2 If yes, please complete the following:

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

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

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 0
16.3 Total payable for securities lending reported on the liability page $ 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[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
Arvest Asset Management	200 Commerce Dr. Ste. 100, Little Rock, AR

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

1 Central Registration Depository	2 Name(s)	3 Address
	Dennis Whitaker	200 Commerce Dr. Ste. 100, Little Rock, AR

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[ ]
18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:

1.1	A&H loss percent	61.970%
1.2	A&H cost containment percent	2.540%
1.3	A&H expense percent excluding cost containment expenses	14.317%

2.1	Do you act as a custodian for health savings accounts?	Yes[ ] No[X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.	$ 0
2.3	Do you act as an administrator for health savings accounts?	Yes[ ] No[X]
2.4	If yes, please provide the balance of the funds administered as of the reporting date.	$ 0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
			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								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	L	6,198,392				193,040		6,391,432	
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)	XXX								
59. Subtotal	XXX	6,198,392				193,040		6,391,432	
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. Total (Direct Business)	(a) 1	6,198,392				193,040		6,391,432	
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX								

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

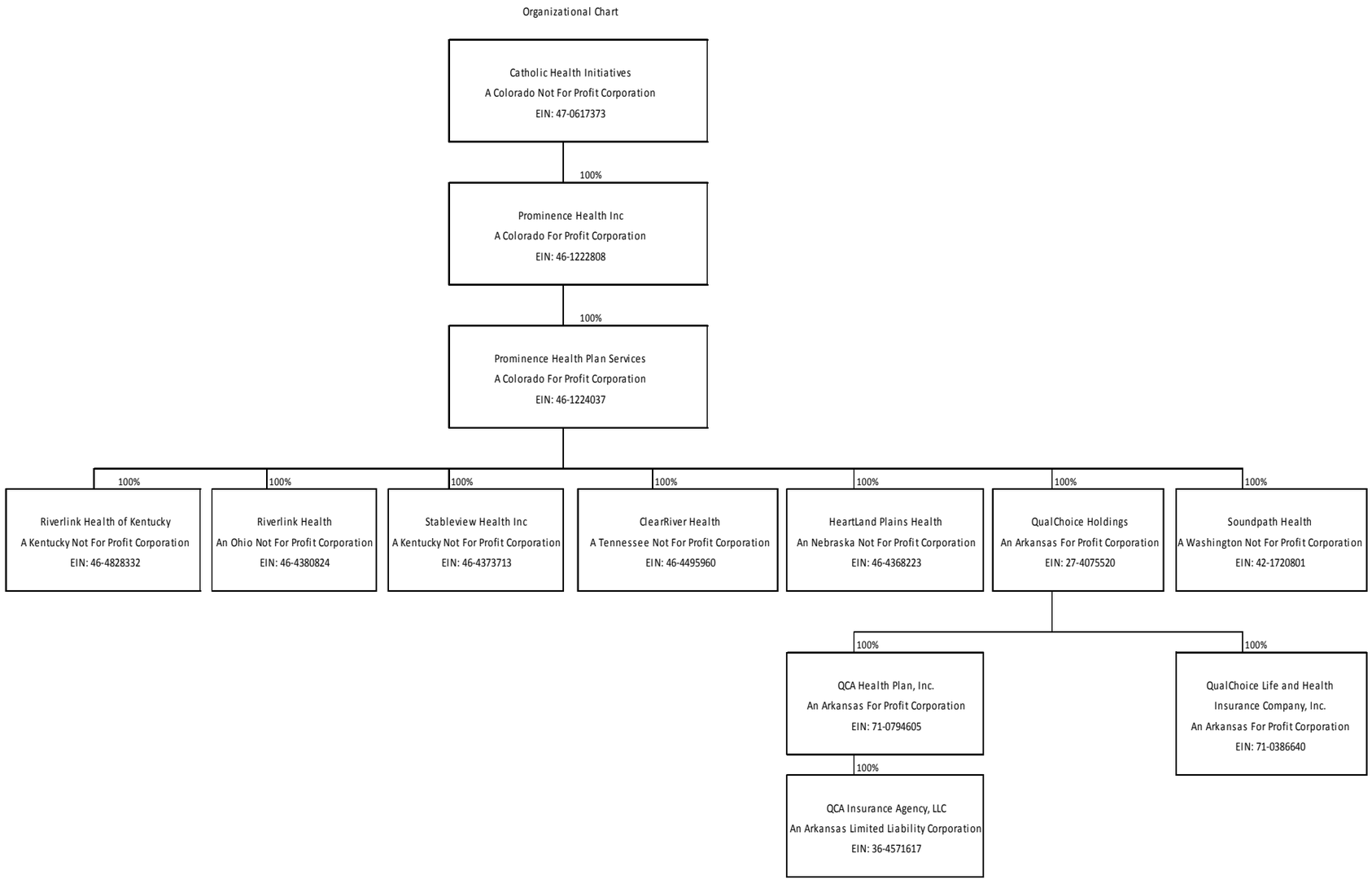
(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Q15



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 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 *
4807	Catholic Health Initiatives	70998	71-0386640				QualChoice Life and Health Insurance Company, Inc.	AR	RE	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	95448	71-0794605				QCA Health Plan, Inc.	AR	RE	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	12909	42-1720801				Soundpath Health, Inc.	WA	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15493	46-4495960				ClearRiver Health	TN	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15488	46-4368223				Heartland Plains Health	NE	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15499	46-4380824				Riverlink Health	OH	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15486	46-4828332				Riverlink Health of Kentucky, Inc.	KY	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15487	46-4373713				StableView Health	KY	IA	Prominence Health Plan Services, Inc.	Ownership	100.0	Catholic Health Initiatives	

Q16

Asterisk	Explanation
0000001	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement

70998201536500001 2015 Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

STATEMENT OF REVENUE AND EXPENSES (Continued)

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

SCHEDULE A - VERIFICATION

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	100,912	100,768
2.	Cost of bonds and stocks acquired		
3.	Accrual of discount	36	144
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration for bonds and stocks disposed of		
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	100,948	100,912
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	100,948	100,912

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)	100,912			36	100,948			100,912
2. NAIC 2 (a)								
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	100,912			36	100,948			100,912
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	100,912			36	100,948			100,912

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

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter 6 First Month	 7 Second Month	 8 Third Month	9 *
open depositories								
Arvest Bank ..... P.O. Box 1583, Little Rock, AR 72203	.....	.....	 1,655	.....	 7,402,650	 7,237,836	 5,165,184	X X X
Arvest Bank Trust ..... P.O. Box 1583, Little Rock, AR 72203	.....	.....	 99	.....	 421	 421	 547	X X X
Bank of America ..... 100 North Tryon Street, Charlotte, NC 28255	.....	.....	.....	.....	 980,193	 2,727,160	 6,648,937	X X X
.....	.....	.....	.....	.....	.....	.....	.....	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories .	X X X	... X X X ..	.....	.....	.....	.....	.....	X X X
0199999 Totals - Open Depositories	X X X	... X X X ..	 1,754	.....	 8,383,264	 9,965,417	... 11,814,668	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories	X X X	... X X X ..	.....	.....	.....	.....	.....	X X X
0299999 Totals - Suspended Depositories	X X X	... X X X ..	.....	.....	.....	.....	.....	X X X
0399999 Total Cash On Deposit	X X X	... X X X ..	 1,754	.....	 8,383,264	 9,965,417	... 11,814,668	X X X
0499999 Cash in Company's Office	X X X	... X X X ..	. X X X .	... X X X ..	.....	.....	.....	X X X
0599999 Total Cash	X X X	... X X X ..	 1,754	.....	 8,383,264	 9,965,417	... 11,814,668	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

INDEX TO HEALTH QUARTERLY STATEMENT

INDEX TO HEALTH QUARTERLY STATEMENT