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HEALTH QUARTERLY STATEMENT

As of March 31, 2017

of the Condition and Affairs of the

USAble Mutual Insurance Company

NAIC Group Code.....876, 876 (Current Period) (Prior Period) | NAIC Company Code..... 83470 | Employer's ID Number..... 71-0226428

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

Licensed as Business Type Life, Accident & Health | Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized..... December 10, 1948 | Commenced Business..... March 2, 1949

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

OFFICERS

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

OTHER

Stephen William Abell	James Robert Bailey
Alicia Marie Berkemeyer	Judy Dawn Blevins
James Daniel Bloodworth	David Frank Bridges
Martha Lynn Carlson	Richard Shelby Cooper
Ronald Walter DeBerry	David Franklin Greenwood, Jr.
Melvin Dewayne Hardy	Kimberly Ann Henderson
Harvey David Jacobson	Anthony Marcus James
Connie Annelle Meeks	Hal Jackson Norman
Eric Richard Paczewitz	Kathleen O'Dea Ryan
Philip Eugene Sherrill	Steven Aaron Spaulding
Scott Bradley Winter #	Samuel Carl Vorderstrasse

DIRECTORS OR TRUSTEES

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

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

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

(Signature)	(Signature)	(Signature)
Curtis Edwin Barnett	James Lee Douglass	Gray Donald Dillard
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President / CEO	Secretary	Treasurer / CFO
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This ________ day of ________________________

____

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Prior Year Net Admitted Assets
1. Bonds	621,510,126		621,510,126	598,705,453
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	295,610,784		295,610,784	272,681,992
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)	45,892,544		45,892,544	46,125,678
4.2 Properties held for the production of income (less $..........0 encumbrances)	7,419,479		7,419,479	7,374,974
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....58,441,162), cash equivalents ($..........0) and short-term investments ($.....106,184,933)	164,626,095		164,626,095	232,407,755
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets	106,236,601		106,236,601	86,068,544
9. Receivables for securities			0	4,302,192
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	3,509,398	0	3,509,398	3,469,728
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,244,805,027	0	1,244,805,027	1,251,136,317
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	4,948,350		4,948,350	4,654,513
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 $..........0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($.....132,627,714) and contracts subject to redetermination ($.....33,487,694)	166,115,408	2,287,924	163,827,485	156,614,614
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	31,009,406		31,009,406	38,373,639
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	38,783,316	1,341,203	37,442,113	34,638,463
18.1 Current federal and foreign income tax recoverable and interest thereon	3,970,703		3,970,703	5,699,119
18.2 Net deferred tax asset	69,619,605	69,619,605	0	
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	11,464,758	5,427,858	6,036,900	6,937,521
21. Furniture and equipment, including health care delivery assets ($..........0)	27,332,603	27,332,603	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	7,872,295	476,245	7,396,051	10,713,458
24. Health care ($.....19,569,898) and other amounts receivable	58,761,612	12,663,920	46,097,692	45,266,654
25. Aggregate write-ins for other than invested assets	63,224,484	18,704,830	44,519,654	43,698,326
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	1,727,907,568	137,854,187	1,590,053,381	1,597,732,623
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	1,727,907,568	137,854,187	1,590,053,381	1,597,732,623

DETAILS OF WRITE-INS

1101. Deposits with National Accounts	3,509,398		3,509,398	3,469,728
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	3,509,398	0	3,509,398	3,469,728
2501. Supplemental Savings Plan	44,163,461		44,163,461	43,342,133
2502. Other Assets	356,193		356,193	356,193
2503. Other Non-Admitted Assets	18,704,830	18,704,830	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)	63,224,484	18,704,830	44,519,654	43,698,326

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....10,908,916 reinsurance ceded)	255,242,109	695,590	255,937,699	249,951,214
2.	Accrued medical incentive pool and bonus amounts	3,183,841		3,183,841	2,915,880
3.	Unpaid claims adjustment expenses	6,411,953		6,411,953	6,614,949
4.	Aggregate health policy reserves, including the liability of $.....4,198,300 for medical loss ratio rebate per the Public Health Service Act	141,708,945		141,708,945	137,015,633
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserve			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance	43,957,374		43,957,374	21,294,497
9.	General expenses due or accrued	225,461,364		225,461,364	257,561,015
10.1	Current federal and foreign income tax payable and interest thereon (including $..........0 on realized gains (losses))			0	
10.2	Net deferred tax liability	3,024,846		3,024,846	1,605,249
11.	Ceded reinsurance premiums payable	4,173,207		4,173,207	4,135,100
12.	Amounts withheld or retained for the account of others	40,976,542		40,976,542	45,299,093
13.	Remittances and items not allocated	225,599		225,599	1,474,364
14.	Borrowed money (including $..........0 current) and interest thereon $..........0 (including $..........0 current)			0	
15.	Amounts due to parent, subsidiaries and affiliates	247,896		247,896	605,989
16.	Derivatives			0	
17.	Payable for securities	7,427		7,427	981
18.	Payable for securities lending			0	
19.	Funds held under reinsurance treaties with ($..........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	32,322,228		32,322,228	33,426,231
23.	Aggregate write-ins for other liabilities (including $..........0 current)	20,950,752	0	20,950,752	20,620,084
24.	Total liabilities (Lines 1 to 23)	777,894,084	695,590	778,589,674	782,520,280
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26.	Common capital stock	XXX	XXX		
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX		
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	811,463,706	815,212,343
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	811,463,706	815,212,343
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	1,590,053,380	1,597,732,623

DETAILS OF WRITE-INS

2301.	Deferred Gain on Capitalization of joint venture	19,617,685		19,617,685	19,617,685
2302.	Miscellaneous	1,333,067		1,333,067	1,002,399
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)	20,950,752	0	20,950,752	20,620,084
2501.	2017 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 1 Uncovered	Current Year To Date 2 Total	Prior Year To Date 3 Total	Prior Year Ended December 31 4 Total
1. Member months	XXX	2,132,000	1,987,389	7,992,408
2. Net premium income (including $..........0 non-health premium income)	XXX	649,510,479	601,410,184	2,496,572,480
3. Change in unearned premium reserves and reserve for rate credits	XXX	(4,949,744)	843,197	(9,569,659)
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	644,560,735	602,253,381	2,487,002,821
Hospital and Medical:				
9. Hospital/medical benefits		316,715,102	345,168,144	1,227,110,404
10. Other professional services		9,971,121	8,383,067	35,802,982
11. Outside referrals		7,271,524		
12. Emergency room and out-of-area		92,680,479	74,096,892	396,120,168
13. Prescription drugs		132,722,073	92,695,836	486,990,900
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		2,666,106	2,124,473	14,550,099
16. Subtotal (Lines 9 to 15)	0	562,026,405	522,468,411	2,160,574,553
Less:				
17. Net reinsurance recoveries		(11,424,077)	(3,327,886)	(11,870,482)
18. Total hospital and medical (Lines 16 minus 17)	0	573,450,482	525,796,297	2,172,445,035
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....423,982 cost containment expenses		19,330,690	22,154,083	89,593,220
21. General administrative expenses		52,530,611	87,363,940	243,499,179
22. Increase in reserves for life and accident and health contracts (including $..........0 increase in reserves for life only)		(256,416)	(1,325,894)	(9,202,214)
23. Total underwriting deductions (Lines 18 through 22)	0	645,055,367	633,988,426	2,496,335,220
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(494,631)	(31,735,045)	(9,332,399)
25. Net investment income earned		3,563,700	3,155,904	13,441,191
26. Net realized capital gains (losses) less capital gains tax of $..........0		(31,712)	3,343,025	4,046,872
27. Net investment gains or (losses) (Lines 25 plus 26)	0	3,531,988	6,498,929	17,488,063
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	264,940	(2,393,904)	2,144,339
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	3,302,296	(27,630,020)	10,300,003
31. Federal and foreign income taxes incurred	XXX	309,034	2,447,206	453,034
32. Net income (loss) (Lines 30 minus 31)	XXX	2,993,262	(30,077,226)	9,846,969

DETAILS OF WRITE-INS

0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. Miscellaneous Income/Expense		264,040	(2,393,104)	2,147,149
2902. Regional Management Fees				
2903. State Tax Expense		900	(800)	(2,810)
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	264,940	(2,393,904)	2,144,339

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	815,212,343	817,802,098	817,802,098
34. Net income or (loss) from Line 32	2,993,262	(30,077,226)	9,846,969
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	1,902,307	3,486,613	8,063,583
37. Change in net unrealized foreign exchange capital gain or (loss)	(72,450)	(503,914)	2,939,924
38. Change in net deferred income tax	(1,709,424)	(1,238,147)	(14,728,457)
39. Change in nonadmitted assets	(7,031,320)	(10,086,899)	(9,228,215)
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	168,994	377,185	516,440
48. Net change in capital and surplus (Lines 34 to 47)	(3,748,631)	(38,042,388)	(2,589,756)
49. Capital and surplus end of reporting period (Line 33 plus 48)	811,463,711	779,759,710	815,212,343

DETAILS OF WRITE-INS			
4701. Capital Lease Adjustment	111,619	364,342	516,440
4702. Miscellaneous	57,375	12,843	
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)	168,994	377,185	516,440

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	663,788,029	604,457,449	2,453,359,287
2.	Net investment income	6,137,718	4,686,675	18,220,203
3.	Miscellaneous income			
4.	Total (Lines 1 through 3)	669,925,747	609,144,123	2,471,579,489
5.	Benefit and loss related payments	560,276,222	512,206,116	2,113,534,624
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	107,984,890	103,553,639	333,299,546
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $..........0 tax on capital gains (losses)	(1,419,381)	3,685,993	10,431,097
10.	Total (Lines 5 through 9)	666,841,730	619,445,748	2,457,265,267
11.	Net cash from operations (Line 4 minus Line 10)	3,084,016	(10,301,624)	14,314,223
	CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	10,065,000	12,610,000	153,612,147
	12.2 Stocks	162,468	4,451,546	13,173,396
	12.3 Mortgage loans			
	12.4 Real estate			89,380
	12.5 Other invested assets	13,380		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			3,832
	12.7 Miscellaneous proceeds	4,308,639		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	14,549,487	17,061,546	166,878,755
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	34,413,731	42,932,043	244,483,820
	13.2 Stocks	20,000,000	5,042,816	9,280,653
	13.3 Mortgage loans			
	13.4 Real estate	1,050,045	122,656	12,098,367
	13.5 Other invested assets	20,000,000		17,617
	13.6 Miscellaneous applications	39,671	20,018,230	25,395,768
	13.7 Total investments acquired (Lines 13.1 to 13.6)	75,503,447	68,115,745	291,276,225
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)	(60,953,960)	(51,054,199)	(124,397,471)
	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)	(9,911,716)	(16,571,994)	(8,387,465)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(9,911,716)	(16,571,994)	(8,387,465)
	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)	(67,781,660)	(77,927,818)	(118,470,713)
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	232,407,753	350,878,467	350,878,467
	19.2 End of period (Line 18 plus Line 19.1)	164,626,093	272,950,649	232,407,753

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

20.0001				

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	667,690	270,574	134,011	118,294	10,001	52,302	53,041	16,615		12,852
2. First Quarter	688,774	259,372	137,896	118,954	25,253	51,125	67,101	15,842		13,231
3. Second Quarter	0									
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	2,073,685	787,104	416,885	356,957	74,217	153,235	201,637	45,113		38,537
Total Member Ambulatory Encounters for Period:										
7. Physician	810,796	122,571	100,882	479,871		107,472				
8. Non-Physician	1,152,487	240,471	451,333	460,683						
9. Total	1,963,283	363,042	552,215	940,554	0	107,472	0	0	0	0
10. Hospital Patient Days Incurred	1,004,726	121,632	422,411	460,683						
11. Number of Inpatient Admissions	11,776	564	2,005	9,207						
12. Health Premiums Written (a)	635,828,909	296,774,592	143,341,535	64,959,241	1,249,148	12,182,458	68,794,534	37,164,643		11,362,760
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	630,879,166	296,310,243	143,340,217	64,586,140	1,249,148	12,163,689	64,703,734	37,164,643		11,361,352
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	554,529,105	264,364,621	121,799,969	58,870,922	609,416	8,736,175	58,843,339	31,441,406		9,863,257
18. Amount Incurred for Provision of Health Care Services	562,026,405	248,960,264	113,187,167	87,094,975	622,662	9,183,175	58,826,883	33,318,440		10,832,839

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....35,997,826.

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	45,566,590	164,298	97,658	147,293	8,913	45,984,752
0499999. Subtotals	45,566,590	164,298	97,658	147,293	8,913	45,984,752
0599999. Unreported Claims and Other Claim Reserves						220,861,863
0799999. Total Claims Unpaid						266,846,615
0899999. Accrued Medical Incentive Pool and Bonus Amounts						3,183,841

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
Line of Business	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)	116,723,771	314,648,344	21,232,786	141,359,274	137,956,557	185,852,595
2. Medicare Supplement	17,080,865	41,790,058	1,666,794	47,381,606	18,747,659	20,827,650
3. Dental only	2,028,083	6,708,092	181,826	2,400,174	2,209,909	2,135,000
4. Vision only		609,416		52,737	0	39,491
5. Federal Employees Health Benefits Plan	13,405,989	45,190,964	3,288,059	16,853,252	16,694,048	20,093,499
6. Title XVIII - Medicare	12,965,011	19,403,624	2,231,745	14,771,348	15,196,756	16,545,259
7. Title XIX - Medicaid					0	
8. Other health	83,825	8,752,753	314,470	4,203,627	398,295	4,457,718
9. Health subtotal (Lines 1 to 8)	162,287,544	437,103,251	28,915,680	227,022,018	191,203,224	249,951,212
10. Healthcare receivables (a)	14,535,951	17,658,812			14,535,951	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts				3,183,841	0	2,915,880
13. Totals (Lines 9-10+11+12)	147,751,593	419,444,439	28,915,680	230,205,859	176,667,273	252,867,092

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

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

	SSAP #	F/S Page	F/S Line #	2017 Period	2016
NET INCOME					
(1) USAble Mutual Insurance Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	$ 2,993,261	$ 9,846,969
(2) State Prescribed Practice that is an increase/(decrease) from NAIC SAP					
(3) State Permitted Practice that is an increase/(decrease) from NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	$ 2,993,261	$ 9,846,969
SURPLUS					
(5) USAble Mutual Insurance Company state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	$ 811,463,706	$ 815,212,343
(6) State Prescribed Practice that is an increase/(decrease) from NAIC SAP					
(7) State Permitted Practice that is an increase/(decrease) from NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	$ 811,463,706	$ 815,212,343

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 are carried at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
4) The Company does not have preferred stock.
5) The Company does not have mortgage loans.
6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities.
7) Common stock investments in affiliates including limited liability companies are carried at their NAIC SAP or GAAP equity values in accordance with the requirements of SSAP no. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities.*
8) The Company has minor investments in joint ventures, partnerships and limited liability companies. See (7) above for accounting policy.
9) The Company does not have derivatives.
10) The Company does not have premium deficiency reserves.
11) The Company sets the claims liability at the regional level, but there are reasonableness checks using a reserve set on an overall basis. When setting liability, the 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

Note 2 – Accounting Changes and Corrections of Errors

No significant changes

Note 3 – Business Combinations and Goodwill

No significant change.

Note 4 – Discontinued Operations

No significant changes

Note 5 – Investments

D. Loan-Backed Securities

NOTES TO FINANCIAL STATEMENTS

(1)

	1 Amortized Cost Basis Before Other-than-Temporary Impairment	2 Other-than-Temporary Impairment Recognized in Loss	3 Fair Value 1 – 2
OTTI recognized 1st Quarter			
a. Intent to sell	$	$	$
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
c. Total 1st Quarter	$	$	$
OTTI recognized 2nd Quarter			
d. Intent to sell	$	$	$
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
f. Total 2nd Quarter	$	$	$
OTTI recognized 3rd Quarter			
g. Intent to sell	$	$	$
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
i. Total 3rd Quarter	$	$	$
OTTI recognized 4th Quarter			
j. Intent to sell	$	$	$
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
l. Total 4th Quarter		$	
m. Annual aggregate total	XXX	$	XXX

(3) Recognized OTTI securities

CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
	$	$	$	$	$	
Total			$			

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

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	$ 71,187
	2. 12 Months or Longer	$
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	$ 1,988,883
	2. 12 Months or Longer	$

(5)

E. Repurchase Agreements and/or Securities Lending Transactions - The Company has no repurchase and/or Security Lending Transactions at this time.

(3) Collateral Received

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	$

c.

I. Working Capital Finance Investments - The Company has no Working Capital Finance Investments at this time.

(2) Aggregate Maturity Distribution on the Underlying Working Capital Finance Programs

	Book/Adjusted Carrying Value
a. Up to 180 Days	$
b. 181 to 365 Days	
c. Total	$

(3)

J. Offsetting and Netting of Assets and Liabilities - The Company does not offset or net Assets and Liabilities

	Gross Amount Recognized	Amount Offset	Net Amount Presented on Financial Statements
(1) Assets			
	$	$	$
(2) Liabilities			
	$	$	$

NOTES TO FINANCIAL STATEMENTS

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

No significant changes

Note 7 – Investment Income

No significant changes

Note 8 – Derivative Instruments

No significant changes

Note 9 – Income Taxes

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) (Col 1+2) Total
(a) Gross Deferred Tax Assets	97,275,443	11,315,073	108,590,516
(b) Statutory Valuation Allowance Adjustment	0	2,537,500	2,537,500
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	97,275,443	8,777,573	106,053,016
(d) Deferred Tax Assets Nonadmitted	69,619,607	0	69,619,607
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	27,655,837	8,777,573	36,433,410
(f) Deferred Tax Liabilities	1,425,316	38,032,937	39,458,253
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	26,230,521	(29,255,364)	(3,024,843)

	12/31/16		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	97,921,018	11,315,073	109,236,091
(b) Statutory Valuation Allowance Adjustment	0	2,537,500	2,537,500
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	97,921,018	8,777,573	106,698,591
(d) Deferred Tax Assets Nonadmitted	70,001,311	0	70,001,311
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	27,919,707	8,777,573	36,697,280
(f) Deferred Tax Liabilities	1,425,798	36,876,731	38,302,529
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	26,493,909	(28,099,158)	(1,605,249)

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
(a) Gross Deferred Tax Assets	(645,575)	0	(645,575)
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	(645,575)	0	(645,575)
(d) Deferred Tax Assets Nonadmitted	(381,704)	0	(381,704)
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	(263,870)	0	(263,870)
(f) Deferred Tax Liabilities	(482)	1,156,206	1,155,724
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	(263,389)	(1,156,206)	(1,419,595)

2.

	03/31/17		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components - SSAP 101			

NOTES TO FINANCIAL STATEMENTS

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	20,163,895	0	20,163,895
(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)	6,066,626	0	6,066,626
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	6,066,626	0	6,066,626
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	6,066,626	0	111,252,009
(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	1,425,316	8,777,573	10,202,889
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	27,655,837	8,777,573	36,433,410

	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	20,298,494	0	20,298,494
(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)	6,195,415	0	6,195,415
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	6,195,415	0	6,195,415
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	6,195,415	0	110,981,814
(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	1,425,798	8,777,573	10,203,371
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	27,919,707	8,777,573	36,697,280

	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	(134,599)	0	(134,599)
(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)	(128,789)	0	(128,789)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	(128,789)	0	(128,789)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	(128,789)	0	(128,789)
(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	(482)	0	(482)
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	(263,870)	0	(263,870)

3.

	2017	2016

NOTES TO FINANCIAL STATEMENTS

(a) Ratio Percentage used to determine Recovery Period and Threshold Limitation Amount	835%	835%
(b) Amount of Adjusted Capital and Surplus used to determine Recovery Period and Threshold Limitation in 2(b)2 above	741,680,059	739,878,760

4.

	03/31/17		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) 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

NOTES TO FINANCIAL STATEMENTS

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

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

1. Current Income Tax:

	(1) 03/31/17	(2) 12/31/16	(3) (Col 1-2) Change
(a) Federal	270,390	3,999,029	(3,728,639)
(b) Foreign	-	-	-
(c) Subtotal	270,390	3,999,029	(3,728,639)
(d) Federal Income Tax on net capital gains	-	2,155,460	(2,155,460)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	(3,545,995)	3,545,995
(g) Federal & Foreign income tax incurred	270,390	2,608,494	(2,338,104)

0

2. Deferred Tax Assets:

	(1) 03/31/17	(2) 12/31/16	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	5,433,363	5,345,490	87,873
(2) Unearned premium reserves	-	-	-
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred Acquistion Costs	6,642,037	6,712,823	(70,786)
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	5,546,130	5,546,130	0
(8) Compensation and benefits accrual	71,166,676	71,465,835	(299,158)
(9) Pension accrual	-	-	-
(10)Receivables - nonadmitted	-	-	-
(11)Net operating loss carry-forward	-	-	-
(12)Tax credit carry-forward	6,066,626	6,195,415	(128,789)
(13)Other	2,420,611	2,655,325	(234,714)
(99) Subtotal - Ordinary	97,275,443	97,921,018	(645,575)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted - Ordinary	69,619,607	70,001,311	(381,704)

NOTES TO FINANCIAL STATEMENTS

(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	27,655,837	27,919,707	(263,870)
(e) Capital:			
(1) Investments	9,126,885	9,126,885	-
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other	2,188,188	2,188,188	-
(99) Subtotal - Capital	11,315,073	11,315,073	-
(f) Statutory valuation allowance adjustment	2,537,500	2,537,500	-
(g) Nonadmitted - Capital	-	-	-
(h) Admitted capital deferred tax assets (2a99-2b-2c)	8,777,573	8,777,573	-
(i) Admitted deferred tax assets (2d + 2h)	36,433,410	36,697,280	(263,870)

3. Deferred Tax Liabilities:

	(1) 03/31/17	(2) 12/31/16	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Investments	262,694	263,176	(482)
(2) Fixed Assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	3,321,777	3,321,777	-
(99) Subtotal - Ordinary	262,694	263,176	(482)
(b) Capital:			
(1) Investments	-	-	-
Unrealized Capital Gains	14,611,696	14,084,144	527,552
Basis diff in partnership investment-LSV	12,436,739	11,911,739	525,000
Unrealized Gain/Loss on partnership-LSV	(1,578,546)	(1,578,546)	-
Basis diff in Unconsolidated Subs	12,449,282	12,352,378	96,904
Unrealized Gain/Loss on Unconsolid Subs	113,765	107,016	6,750
Total Investments	38,032,937	36,876,731	1,156,206
(2) Real estate	-	-	-
(3) Other	1,162,622	1,162,622	-
(99) Subtotal - Capital	39,195,559	38,039,353	1,156,206

NOTES TO FINANCIAL STATEMENTS

(c) Deferred tax liabilities (3a99 + 3b99h)	39,458,253	38,302,529	1,155,724

4. Net Deferred Tax Assets/Liabilities (2i - 3c)	(3,024,843)	(1,605,249)	(1,419,595)

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	1,142,279	35.0%
Tax exempt income deduction	(86,415)	-2.6%
Dividends received deduction	(77,765)	-2.4%
Tax differentials on foreign earnings	0	0.0%
Nondeductible expenses	366,179	11.2%
Tax Credits	(38,644)	-1.2%
Rate Differential	0	0.0%
Other	674,181	20.7%
Total	1,979,814	60.7%
Federal and foreign income taxes incurred	270,390	8.3%
Realized capital gains/(losses) tax	0	0.0%
Change in net deferred income taxes	1,709,423	52.4%
Total statutory income taxes	1,979,814	60.7%

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 2015 and 2014 that is available for recoupment in the event of future net losses

Year	Amount
2016	1,071,189
2015	6,423,717

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

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:
   USAble Mutual Insurance Company
   USAble Corporation
   Group Service Underwriters Inc

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

G. Federal or Foreign Federal Income Tax Loss Contingencies

NOTES TO FINANCIAL STATEMENTS

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

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

No significant changes

Note 11 – Debt

B. FHLB (Federal Home Loan Bank) Agreements - The Company has no FHLB agreements.

(1)

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Period

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

2. Prior Year-End

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

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

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

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

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

b. Maximum Amount Pledged During Reporting Period

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

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Period

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

2. Prior Year-End

	1 Total	2 Funding Agreements Reserves Established

NOTES TO FINANCIAL STATEMENTS

(a)	Debt	$	XXX
(b)	Funding Agreements		$
(c)	Other		XXX
(d)	Aggregate Total (a+b+c)	$	$

b. Maximum Amount During Reporting Period (Current Period)

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

c. FHLB – Prepayment Obligations

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

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

A. Defined Benefit Plan

(4) Components of net periodic benefit cost	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	Current Period	Prior Year	Current Period	Prior Year	Current Period	Prior Year
a. Service cost	$	$	$ 237,500	$ 1,021,000	$	$
b. Interest cost			1,542,500	5,886,000		
c. Expected return on plan assets						
d. Transition asset or obligation						
e. Gains and losses			(653,500)	(2,614,000)		
f. Prior service cost or credit			298,250			
g. Gain or loss recognized due to a settlement curtailment						
h. Total net periodic benefit cost	$	$	$ 1,424,750	$ 4,293,000	$	$

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

No significant changes

Note 14 – Liabilities, Contingencies and Assessments

No significant change.

Note 15 – Leases

No significant changes

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

No significant changes

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

B. Transfer and Servicing of Financial Assets - the Company did not have any transfers or servicing of Financial Assets.

C. Wash Sales - the Company did not have any Wash Sales.

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

No significant changes

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

No significant changes

Note 20 – Fair Value Measurements

NOTES TO FINANCIAL STATEMENTS

A.

(1) Fair Value Measurements at Reporting Date

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
Bonds	$	$	$	$
Industrial and Miscellaneous	$	$ 9,661,272	$	$ 9,661,272
Common Stock	$	$	$	$
Industrial and Miscellaneous	$ 80,955,129	$ 28,723,098	$	$ 109,678,227
Mutual Fund	$	$ 973,322	$	$ 973,322
Parent, Subsidiaries and Affiliates	$	$	$ 160,019,715	$ 160,019,715
Total	$ 80,955,129	$ 39,357,692	$ 160,019,715	$ 280,332,536
Liabilities at Fair Value				
	$	$	$	$
Total	$	$	$	$

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

	Beginning Balance at current period	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settle-ments	Ending Balance at current period
a. Assets										
Parent, Subsidiaries and Affiliates	$ 158,297,966	$	$	$	$ 1,721,749	$	$	$	$	$ 160,019,715
Total	$ 158,297,966	$	$	$	$ 1,721,749	$	$	$	$	$ 160,019,715
b. Liabilities										
	$	$	$	$	$	$	$	$	$	$
Total	$	$	$	$	$	$	$	$	$	$

(3) N/A

(4) There has been no change in this valuation technique.

(5) N/A

B. N/A

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	$ 9,661,272	$ 9,661,272	$	$ 9,661,272	$	$
Common Stock	$ 270,671,264	$ 270,671,264	$ 80,955,129	$ 29,696,420	$ 160,019,715	$

D. Not Practicable to Estimate Fair Value - N/A

Note 21 – Other Items

No significant changes

Note 22 – Events Subsequent

No significant changes

Note 23 – Reinsurance

No significant changes

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

E. Risk Sharing Provisions of the Affordable Care Act

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

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

a. Permanent ACA Risk Adjustment Program	AMOUNT
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	$ 24,998,824
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	5,088,269
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	$

b. Transitional ACA Reinsurance Program	AMOUNT
Assets	

NOTES TO FINANCIAL STATEMENTS

b. Transitional ACA Reinsurance Program	AMOUNT
1. Amounts recoverable for claims paid due to ACA Reinsurance	$ 27,950,199
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	4,768,745
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	2,430,416
5. Ceded reinsurance premiums payable due to ACA Reinsurance	29,798
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	$
Operations (Revenue & Expenses)	
7. Ceded reinsurance premiums due to ACA Reinsurance	$
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	
9. ACA Reinsurance contributions – not reported as ceded premium	$

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

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

	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		0	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	$ 19,910,556	$	$	$	$ 19,910,556	$	$	$	A	$ 19,910,556	$
2. Premium adjustments (payable)									B		
3. Subtotal ACA Permanent Risk Adjustment Program	$ 19,910,556	$	$	$	$ 19,910,556	$	$	$		$ 19,910,556	$
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	$ 35,339,853	$	$ 7,389,653	$	$ 27,950,200	$	$	$	C	$ 27,950,200	$
2. Amounts recoverable for claims unpaid (contra liability)	4,768,745				4,768,745				D	4,768,745	
3. Amounts receivable relating to uninsured plans									E		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premiums		7,654,690		7,654,690					F		
5. Ceded reinsurance premiums payable		4,497,407		2,066,988		2,430,419			G		2,430,419
6. Liability for amounts held under uninsured plans		148,991		119,192		29,799			H		29,799
7. Subtotal ACA Transitional Reinsurance Program	$ 40,108,598	$ 12,301,088	$ 7,389,653	$ 9,840,870	$ 32,718,945	$ 2,460,218	$	$		$ 32,718,945	$ 2,460,218
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	$ 60,019,154	$ 12,301,088	$ 7,389,653	$ 9,840,870	$ 52,629,501	$ 2,460,218	$	$		$ 52,629,501	$ 2,460,218

NOTES TO FINANCIAL STATEMENTS

					Differences		Adjustments			Unsettled Balances as of the Reporting Date	
	Accrued the Prior Business Before the Prior	During Year on Written Dec. 31 of Year	Received or the Current Business Before the Prior	Paid as of Year on Written Dec. 31 of Year	Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		0	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
Provisions											

Explanations of Adjustments

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

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

					Differences		Adjustments			Unsettled Balances as of the Reporting Date	
	Accrued the Prior Year Written Dec. 31 of the	During on Business Before Prior Year	Received or the Current Business Before the Prior	Paid as of Year on Written Dec. 31 of Year	Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	$	$	$	$	$	$	$	$	A	$	$
2. Reserve for rate credits for policy experience rating refunds									B		
b. 2016											
1. Accrued retrospective premium	$	$	$	$	$	$	$	$	C	$	$
2. Reserve for rate credits for policy experience rating refunds									D		
c. 2017											
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

	1	2	3	4	5	5
Risk Corridors Program Year	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts Received from CMS	Asset Balance (Gross of Non-Admissions) (1-2-3)	Non-Admitted Amount	Net Admitted Asset (4–5)
a. 2014	$	$	$	$	$	$
b. 2016	$ 15,919,592	$ 15,919,592	$	$	$	$
c. 2017	$ 20,031,341	$ 20,031,341	$	$	$	$
d. Total (a+b+c)	$ 35,950,933	$ 35,950,933	$	$	$	$

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

12/31/2016 Reserves	$249,951,212	(includes Due and Unpaid)
2016 Claims paid in 2017	(162,287,544)	
2016 Claims Due and Unpaid	(58,496,251)	
Adjusted Net Reserves	$ 29,167,417	
2016 Remaining Reserves @ 12/31/17	28,915,680	
Favorable Development	$ 251,737	

NOTES TO FINANCIAL STATEMENTS

Note 26 – Intercompany Pooling Arrangements

No significant changes

Note 27 –Structured Settlements

Not Applicable for Health Entities

Note 28 – Health Care Receivables

No significant changes

Note 29 – Participating policies

No significant changes

Note 30 – Premium Deficiency Reserves

No significant changes

Note 31 – Anticipated Salvage and Subrogation

No significant 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? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1 and 1A.

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

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

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

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2010

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). 05/17/2012

6.4 By what department or departments?
Arkansas Insurance Department

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

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

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

7.2 If yes, give full information:

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

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

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

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

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

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

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

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

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

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

(e) Accountability for adherence to the code.

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

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

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

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

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

FINANCIAL

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

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 [X] No [ ]

14.2 If yes, please complete the following:

		1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21	Bonds	$ 0	$ 0
14.22	Preferred Stock	0	0
14.23	Common Stock	158,297,966	160,019,720
14.24	Short-Term Investments	0	0
14.25	Mortgage Loans on Real Estate	0	0
14.26	All Other	86,068,544	106,236,601
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 244,366,510	$ 266,256,321
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 Management	U
Wells Capital Managment Inc.	U
Gray D. Dillard	I
Martingale Asset Management, LP	U
Barings, LLC	U

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
116359	Foundation Resource Management	N/A	SEC	NO
104973	Wells Capital Managment Inc.	54300B3H2IOO2L85I90	SEC	NO
108526	Martingale Asset Management, LP	42956583	SEC	NO
106006	Barings, LLC	ANDKRHQKPRRG4Q2KLR05	SEC, CFTC, NFA	NO

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

18.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1.	Operating Percentages:		
	1.1 A&H loss percent		88.3 %
	1.2 A&H cost containment percent		0.1 %
	1.3 A&H expense percent excluding cost containment expenses		11.0 %
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	523,854,880	37,164,643		68,794,534			629,814,056	
5.	California CA	N							0	
6.	Colorado CO	N							0	
7.	Connecticut CT	N							0	
8.	Delaware DE	N							0	
9.	District of Columbia DC	N							0	
10.	Florida FL	N							0	
11.	Georgia GA	N							0	
12.	Hawaii HI	N							0	
13.	Idaho ID	N							0	
14.	Illinois IL	N							0	
15.	Indiana IN	N							0	
16.	Iowa IA	N							0	
17.	Kansas KS	N							0	
18.	Kentucky KY	N							0	
19.	Louisiana LA	N							0	
20.	Maine ME	N							0	
21.	Maryland MD	N							0	
22.	Massachusetts MA	N							0	
23.	Michigan MI	N							0	
24.	Minnesota MN	N							0	
25.	Mississippi MS	N							0	
26.	Missouri MO	N							0	
27.	Montana MT	N							0	
28.	Nebraska NE	N							0	
29.	Nevada NV	N							0	
30.	New Hampshire NH	N							0	
31.	New Jersey NJ	N							0	
32.	New Mexico NM	N							0	
33.	New York NY	N							0	
34.	North Carolina NC	N							0	
35.	North Dakota ND	N							0	
36.	Ohio OH	N							0	
37.	Oklahoma OK	N							0	
38.	Oregon OR	N							0	
39.	Pennsylvania PA	N							0	
40.	Rhode Island RI	N							0	
41.	South Carolina SC	N							0	
42.	South Dakota SD	N							0	
43.	Tennessee TN	N							0	
44.	Texas TX	L	6,014,852						6,014,852	
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	529,869,732	37,164,643	0	68,794,534	0	0	635,828,909	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	(a) 2	529,869,732	37,164,643	0	68,794,534	0	0	635,828,909	0

DETAILS OF WRITE-INS

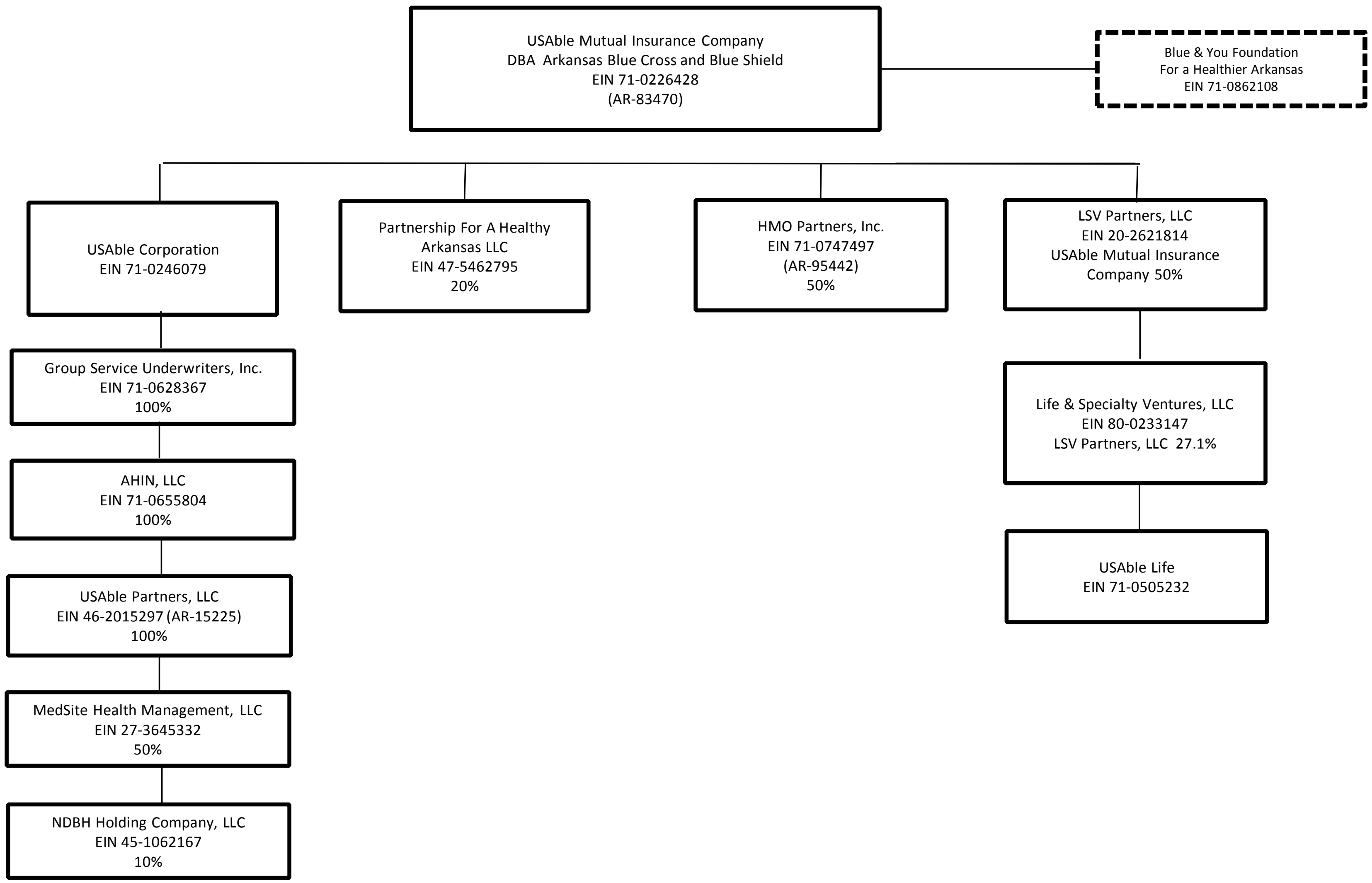
		1	2	3	4	5	6	7	8	9
58001.									0	
58002.									0	
58003.									0	
58998.	Summary of remaining write-ins for line 58 from overflow page		0	0	0	0	0	0	0	0
58999.	Total (Lines 58001 thru 58003 plus 58998) (Line 58 above)		0	0	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied 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



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.

Bar Code:

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	53,500,652	47,792,671
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition	1,050,045	12,098,367
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		73,680
5. Deduct amounts received on disposals		89,380
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation	1,238,674	6,374,686
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	53,312,023	53,500,652
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	53,312,023	53,500,652

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	86,068,544	79,826,804
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	20,000,000	
2.2 Additional investment made after acquisition		17,617
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	168,057	6,224,123
6. Total gain (loss) on disposals	13,380	
7. Deduct amounts received on disposals	13,380	
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)	106,236,601	86,068,544
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	106,236,601	86,068,544

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	906,176,388	804,583,803
2. Cost of bonds and stocks acquired	74,413,731	253,764,473
3. Accrual of discount	86,192	318,131
4. Unrealized valuation increase (decrease)	(22,094,552)	11,432,368
5. Total gain (loss) on disposals	(41,650)	6,154,626
6. Deduct consideration for bonds and stocks disposed of	31,227,468	166,785,543
7. Deduct amortization of premium	1,715,373	6,188,345
8. Total foreign exchange change in book/adjusted carrying value	72,450	2,939,925
9. Deduct current year's other-than-temporary impairment recognized		43,050
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	925,669,719	906,176,388
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	925,669,719	906,176,388

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)	666,543,818	446,456,457	485,712,729	(4,243,139)	623,044,407			666,543,818
2. NAIC 2 (a)	83,994,293	8,077,397	1,422,186	2,843,235	93,492,738			83,994,293
3. NAIC 3 (a)	9,775,924			1,381,989	11,157,913			9,775,924
4. NAIC 4 (a)	1,384,875			(1,384,875)	0			1,384,875
5. NAIC 5 (a)					0			
6. NAIC 6 (a)					0			
7. Total Bonds	761,698,910	454,533,855	487,134,916	(1,402,791)	727,695,058	0	0	761,698,910
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	761,698,910	454,533,855	487,134,916	(1,402,791)	727,695,058	0	0	761,698,910

(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 $.....106,184,933; 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	106,184,933	XXX	106,174,734	46,980	

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	162,993,458	269,677,239
2. Cost of short-term investments acquired	420,120,123	2,408,148,997
3. Accrual of discount	18,259	78,427
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(3,443)	5,110
6. Deduct consideration received on disposals	476,939,373	2,514,748,248
7. Deduct amortization of premium	4,092	168,068
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)	106,184,933	162,993,458
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	106,184,933	162,993,458

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/adjusted carrying value, December 31, prior year (Line 9, prior year)	
2.	Cost paid/(consideration received) on additions	
3.	Unrealized valuation increase/(decrease)	
4.	Total gain (loss) on termination recognized	
5.	Considerations received/(paid) on terminations	
6.	Amortization	
7.	Adjustment to the book/adjusted carrying value of hedge item	
8.	Total foreign exchange change in book/adjusted carrying value	
9.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)	0
10.	Deduct nonadmitted assets	
11.	Statement value at end of current period (Line 9 minus Line 10)	0

NONE

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

1.	Book/adjusted carrying value, December 31, prior year (Line 6, prior year)				
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column)				
3.1	Add:				
	Change in variation margin on open contracts - Highly Effective Hedges:				
3.11	Section 1, Column 15, current year to date minus				
3.12	Section 1, Column 15, prior year		0		
	Change in variation margin on open contracts - All Other:				
3.13	Section 1, Column 18, current year to date minus				
3.14	Section 1, Column 18, prior year		0	0	
3.2	Add:				
	Change in adjustment to basis of hedged item:				
3.21	Section 1, Column 17, current year to date minus				
3.22	Section 1, Column 17, prior year		0		
	Change in amount recognized:				
3.23	Section 1, Column 19, current year to date minus				
3.24	Section 1, Column 19, prior year		0	0	
3.3	Subtotal (Line 3.1 minus Line 3.2)				0
4.1	Cumulative variation margin on terminated contracts during the year				
4.2	Less:				
4.21	Amount used to adjust basis of hedged item				
4.22	Amount recognized		0		
4.3	Subtotal (Line 4.1 minus Line 4.2)				0
5.	Dispositions gains (losses) on contracts terminated in prior year:				
5.1	Total gain (loss) recognized for terminations in prior year				
5.2	Total gain (loss) adjusted into the hedged item(s) for the terminations in prior year				
6.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)				0
7.	Deduct nonadmitted assets				
8.	Statement value at end of current period (Line 6 minus Line 7)				0

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replication (Synthetic) Asset Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designational or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value

NONE

SCHEDULE DB - PART C - SECTION 2

Reconciliation (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory			0	0	0	0	0	0	0	0
2. Add: Opened or acquired transactions									0	0
3. Add: Increases in replication (synthetic asset) transactions statement value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or disposed of transactions									0	0
5. Less: Positions disposed of for failing effectiveness criteria									0	0
6. Less: Decreases in replication (synthetic asset) transactions statement value	XXX		XXX		XXX		XXX		XXX	0
7. Ending Inventory	0	0	0	0	0	0	0	0	0	0

NONE

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check
1. Part A, Section 1, Column 14		
2. Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance		
3. Total (Line 1 plus Line 2)		0
4. Part D, Section 1, Column 5		
5. Part D, Section 1, Column 6		
6. Total (Line 3 minus Line 4 minus Line 5)		0
		Fair Value Check
7. Part A, Section 1, Column 16		
8. Part B, Section 1, Column 13		
9. Total (Line 7 plus Line 8)		0
10. Part D, Section 1, Column 8		
11. Part D, Section 1, Column 9		
12. Total (Line 9 minus Line 10 minus Line 11)		0
		Potential Exposure Check
13. Part A, Section 1, Column 21		
14. Part B, Section 1, Column 20		
15. Part D, Section 1, Column 11		
16. Total (Line 13 plus Line 14 minus Line 15)		0

NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	21,694,987
2. Cost of cash equivalents acquired		50,679,539
3. Accrual of discount		11,030
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		(1,278)
6. Deduct consideration received on disposals		72,378,568
7. Deduct amortization of premium		5,709
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)	0	0
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

SCHEDULE A - PART 2

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

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition

NONE

SCHEDULE A - PART 3

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

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

NONE

SCHEDULE B - PART 2

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

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

NONE

SCHEDULE B - PART 3

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

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

NONE

SCHEDULE BA - PART 2

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

1	2	Location 3	Location 4	5	6	7	8	9	10	11	12	13
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made after Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated												
97MSCM 3D 9	BABSON CAPITAL FLOATING RATE INCOME FUND			BABSON CAPITAL FLOATING RATE INCOME FUND		03/31/2017		20,000,000				
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated								20,000,000	0	0	0	XXX
4499999. Subtotal - Unaffiliated								20,000,000	0	0	0	XXX
4699999. Totals								20,000,000	0	0	0	XXX

SCHEDULE BA - PART 3

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

1	2	Location 3	Location 4	5	6	7	8	Changes in Book/Adjusted Carrying Value 9	10	11	12	13	14	15	16	17	18	19	20
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
97MSCM 3D 9	BABSON CAPITAL FLOATING RATE INCOME FUND			Barings	01/31/2017	03/31/2017		11,012				11,012			13,380		13,380	13,380	
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							0	11,012	0	0	0	11,012	0	0	13,380	0	13,380	13,380	0
4499999. Subtotal - Unaffiliated							0	11,012	0	0	0	11,012	0	0	13,380	0	13,380	13,380	0
4699999. Totals							0	11,012	0	0	0	11,012	0	0	13,380	0	13,380	13,380	0

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
912828 NM 8	UNITED STATES TREASURY		03/01/2017	MERRILL LYNCH,PIERCE,FENNER &		9,422,167	8,853,600	5,503	1
912828 QV 5	UNITED STATES TREASURY		03/01/2017	MERRILL LYNCH,PIERCE,FENNER &		8,927,040	8,566,960	2,662	1
912828 VM 9	UNITED STATES TREASURY		03/01/2017	MERRILL LYNCH,PIERCE,FENNER &		1,373,325	1,348,256	251	1
0599999. Total - Bonds - U.S. Government						19,722,532	18,768,816	8,417	XXX
Bonds - U.S. Special Revenue and Special Assessment									
072024 ST 0	BAY AREA TOLL AUTH CALIF TOLL BRDG REV		03/14/2017	CHASE SECURITIES INC.		1,003,750	1,000,000	820	1FE
3199999. Total - Bonds - U.S. Special Revenue and Special Assessments						1,003,750	1,000,000	820	XXX
Bonds - Industrial and Miscellaneous									
00287Y AX 7	ABBVIE INC.		01/09/2017	RAYMOND JAMES/FI		1,076,185	1,100,000	5,051	2FE
12189L AQ 4	BURLINGTON NORTHERN SANTA FE LLC		03/17/2017	BNY/SUNTRUST CAPITAL MARKETS		3,082,177	2,920,000	6,558	1FE
141781 BB 9	CARGILL INC.		03/27/2017	RAYMOND JAMES/FI		1,084,461	1,050,000	2,791	1FE
244199 BE 4	DEERE & CO.		01/30/2017	RAYMOND JAMES/FI		440,167	441,000	1,720	1FE
579780 AH 0	MCCORMICK & CO INC.		03/09/2017	NO BROKER		1,003,248	950,000	6,072	1FE
58013M EL 4	MCDONALDS CORP.		03/06/2017	STIFEL NICOLAUS & COMPANY INC.		5,128,977	4,900,000	53,781	2FE
718546 AC 8	PHILLIPS 66		03/09/2017	J.P. MORGAN SECURITIES INC.		1,872,235	1,770,000	34,461	2FE
3899999. Total - Bonds - Industrial and Miscellaneous						13,687,449	13,131,000	110,434	XXX
8399997. Total - Bonds - Part 3						34,413,731	32,899,816	119,671	XXX
8399999. Total - Bonds						34,413,731	32,899,816	119,671	XXX
Common Stocks - Industrial and Miscellaneous									
97MSCN 75 0	MARTINGALE INVST TR SER 1		03/31/2017	DIRECT	1.000	20,000,000	XXX		V
9099999. Total - Common Stocks - Industrial and Miscellaneous						20,000,000	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						20,000,000	XXX	0	XXX
9799999. Total - Common Stocks						20,000,000	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						20,000,000	XXX	0	XXX
9999999. Total - Bonds, Preferred and Common Stocks						54,413,731	XXX	119,671	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 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value: 11 Unrealized Valuation Increase (Decrease)	12 Current Year's (Amortization) / Accretion	13 Current Year's Other-Than-Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.	16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest / Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)
Bonds - U.S. Special Revenue and Special Assessment																					
082766 JX 5	BENTON ARK PUB UTILS REV	..	03/01/2017.	Call @ 100.03599999999999		1,500,000	1,500,000	1,606,590	1,510,351		(10,351)		(10,351)		1,500,000			0	37,500	09/01/2036.	1FE
270618 DL 2	EAST BATON ROUGE LA SEW COMMN REV	..	02/01/2017.	Call @ 99.54599999999999		20,000	20,000	19,900	19,909		5		5		19,914		86	86	34	02/01/2046.	1FE
658196 4B 3	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS	..	01/03/2017.	Call @ 100.004		700,000	700,000	716,212	700,000				0		700,000			0	8,540	01/01/2017.	1FE
821697 K9 9	SHELBY CNTY TENN HEALTH EDL & HSG FACS B	..	03/15/2017.	Raymond James Financial		1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000			0	1,719	06/01/2042.	1FE
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments.					3,220,000	3,220,000	3,342,702	3,230,260	0	(10,346)	0	(10,346)	0	3,219,914	0	86	86	47,793	XXX	XXX
Bonds - Industrial and Miscellaneous																					
001055 AH 5	AFLAC INC.	..	02/15/2017.	Maturity @ 100.0		550,000	550,000	558,063	550,923		(923)		(923)		550,000			0	7,288	02/15/2017.	1FE
141781 BA 1	CARGILL INC.	..	03/01/2017.	Maturity @ 100.0		3,500,000	3,500,000	3,537,985	3,501,447		(1,447)		(1,447)		3,500,000			0	33,250	03/01/2017.	1FE
19416Q DX 5	COLGATE-PALMOLIVE COMPANY	..	01/17/2017.	Maturity @ 100.0		500,000	500,000	497,310	499,980		20		20		500,000			0	3,250	01/15/2017.	1FE
406216 AX 9	HALLIBURTON CO.	..	03/16/2017.	Call @ 109.931		1,295,000	1,295,000	1,556,668	1,432,128		(9,942)		(9,942)		1,422,186		(127,186)	(127,186)	169,572	09/15/2019.	2FE
532457 BB 3	ELI LILLY AND CO.	..	03/15/2017.	Maturity @ 100.0		1,000,000	1,000,000	1,174,280	1,008,436		(8,436)		(8,436)		1,000,000			0	26,000	03/15/2017.	1FE
3899999.	Total - Bonds - Industrial and Miscellaneous.					6,845,000	6,845,000	7,324,306	6,992,914	0	(20,728)	0	(20,728)	0	6,972,186	0	(127,186)	(127,186)	239,360	XXX	XXX
8399997.	Total - Bonds - Part 4.					10,065,000	10,065,000	10,667,008	10,223,174	0	(31,074)	0	(31,074)	0	10,192,101	0	(127,101)	(127,101)	287,153	XXX	XXX
8399999.	Total - Bonds.					10,065,000	10,065,000	10,667,008	10,223,174	0	(31,074)	0	(31,074)	0	10,192,101	0	(127,101)	(127,101)	287,153	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
92242T 10 1	VECTRUS ORD.	..	02/22/2017.	MERRILL LYNCH PIERCE FENNER SMITH INC	7,016.005	162,468	XXX	77,017	167,332	(90,315)			(90,315)		77,017		85,451	85,451		XXX	L
9099999.	Total - Common Stocks - Industrial and Miscellaneous.					162,468	XXX	77,017	167,332	(90,315)	0	0	(90,315)	0	77,017	0	85,451	85,451	0	XXX	XXX
9799997.	Total - Common Stocks - Part 4.					162,468	XXX	77,017	167,332	(90,315)	0	0	(90,315)	0	77,017	0	85,451	85,451	0	XXX	XXX
9799999.	Total - Common Stocks.					162,468	XXX	77,017	167,332	(90,315)	0	0	(90,315)	0	77,017	0	85,451	85,451	0	XXX	XXX
9899999.	Total - Preferred and Common Stocks.					162,468	XXX	77,017	167,332	(90,315)	0	0	(90,315)	0	77,017	0	85,451	85,451	0	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks.					10,227,468	XXX	10,744,025	10,390,506	(90,315)	(31,074)	0	(121,388)	0	10,269,118	0	(41,649)	(41,649)	287,153	XXX	XXX

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

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)

NONE

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts with Book/Adjusted Carrying Value > 0	Contracts with Book/Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts with Fair Value > 0	Contracts with Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
1. Offset per SSAP No. 64											
2. Net after right of offset per SSAP No. 64				0	0						

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NONE

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

1	2	3	4	5	6	7	8	9
Exchange, Counterparty or Central Clearinghouse	Type of Asset Pledged	CUSIP Identification	Description	Fair Value	Par Value	Book/Adjusted Carrying Value	Maturity Date	Type of Margin (I, V or IV)

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS
Reinvested Collateral Assets Owned Current Statement Date

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $..........0 Book/Adjusted Carrying Value $..........0
2. Average balance for the year: Fair Value $..........0 Book/Adjusted Carrying Value $..........0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1: $..........0 NAIC 2: $..........0 NAIC 3: $..........0 NAIC 4: $..........0 NAIC 5: $..........0 NAIC 6: $..........0

NONE

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS
Reinvested Collateral Assets Owned Current Statement Date

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $..........0 Book/Adjusted Carrying Value $..........0
2. Average balance for the year: Fair Value $..........0 Book/Adjusted Carrying Value $..........0

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
Bank Of America Little Rock, AR								XXX
BAAA Claims					659,296	(349,346)	3,424,487	XXX
BAAA Operating					5,521,701	8,167,083	7,878,878	XXX
BAAA Refunds					394,479	396,788	206,690	XXX
BlueCard EFT								XXX
CHIP Claims								XXX
Exchange Claims					(1,779,658)	(1,735,692)	(1,760,504)	XXX
GCPS Assigned EFT								XXX
General Acct					5,997,263	900,923	25,314,113	XXX
LTC CHCS					185,858	185,858	222,756	XXX
Med Adv ACH Prems					307,782	18,742	151,337	XXX
Med Adv EFT								XXX
Med Adv Lockbox								XXX
Medipak Assigned EFT								XXX
Payroll Acct					(3,714,680)	1,058,637	586,732	XXX
PDP ACH Premiums					16,508	16,547	16,976	XXX
PDP Lockbox								XXX
USAM Claims					7,251,939	6,823,353	7,949,093	XXX
Walmart Claims					17,561,598	14,396,883	10,421,664	XXX
Bank of America Vandalia, MO								XXX
Accounts Payable					(1,752,265)	(1,057,902)	(2,085,376)	XXX
GCPS Assigned					(71,505)	(51,237)	(57,935)	XXX
GCPS Unassigned					(542,150)	(544,203)	(361,226)	XXX
Simmons First National Bank Pine Bluff, AR								XXX
Accts Payable EFT					(637)	(47)	(14,847)	XXX
BlueCard Claims					(66,553)	(38,153)	(94,375)	XXX
FEP Basic Option					(72,137)	(65,227)	(65,121)	XXX
FEP Investment					69,853	67,862	67,873	XXX
FEP Standard Option					(194,113)	(153,850)	(161,176)	XXX
Med Adv Claims					(2,074)	(2,305)	(2,534)	XXX
Medipak Assigned					(126,850)	(120,513)	(145,098)	XXX
Medipak Unassigned					(646,651)	(610,659)	(411,069)	XXX
Parent Acct					3,337,140	752,887	2,289,263	XXX
US Bank St. Louis, MO								XXX
Exchange Lockbox								XXX
Membrs Lockbox					2,766,235	8,966,575	2,675,971	XXX
Uninvested Cash						0	8,219	XXX
0199998. Deposits in.....59 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX		1,074	2,380,000	2,380,000	2,380,000	XXX
0199999. Total Open Depositories	XXX	XXX	0	1,074	37,480,378	39,403,006	58,434,790	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	1,074	37,480,378	39,403,006	58,434,790	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX	6,372	6,372	6,372	XXX
0599999. Total Cash	XXX	XXX	0	1,074	37,486,750	39,409,378	58,441,162	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

* 8 3 4 7 0 2 0 1 7 3 6 5 0 0 1 0 1 *

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code.....876 NAIC Company Code.....83470

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums collected	16,186,559	XXX	723,062	XXX	16,909,621
2. Earned premiums	9,354,928	XXX	599,843	XXX	XXX
3. Claims paid	8,593,299	XXX	623,887	XXX	9,217,186
4. Claims incurred	9,267,774	XXX	626,561	XXX	XXX
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a)	XXX	2,847,117	XXX	20,222	2,867,339
6. Aggregate policy reserves - change		XXX		XXX	XXX
7. Expenses paid	1,514,282	XXX	34,797	XXX	1,549,079
8. Expenses incurred	1,511,261	XXX	33,486	XXX	XXX
9. Underwriting gain or loss	(1,424,107)	XXX	(60,204)	XXX	XXX
10. Cash flow results	XXX	XXX	XXX	XXX	3,276,017

(a) Uninsured Receivable/Payable with CMS at End of Quarter $..........0 due from CMS or $.....2,867,339 due to CMS.