HEALTH QUARTERLY STATEMENT

As of June 30, 2018

of the Condition and Affairs of the

USAble Mutual Insurance Company

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

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

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

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

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

OFFICERS

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

OTHER

Stephen William Abell	James Robert Bailey
Alicia Marie Berkemeyer	Judy Dawn Blevins
James Daniel Bloodworth	David Frank Bridges
Richard Shelby Cooper	Ronald Walter DeBerry
Matthew Richard Flora #	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	Wendy Womack See #
Philip Eugene Sherrill	Steven Aaron Spaulding
Joanna Marie Thomas #	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	Calvin Eugene Kellogg	Gray Donald Dillard
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President / CEO	EVP / Chief Strategy Officer	Treasurer / CFO
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This ________ day of ____________________

____

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Prior Year Net Admitted Assets
1. Bonds	656,823,603		656,823,603	602,697,042
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	229,309,916		229,309,916	266,388,409
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)	50,739,599		50,739,599	48,733,751
4.2 Properties held for the production of income (less $..........0 encumbrances)	6,959,029		6,959,029	7,073,975
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....71,292,347), cash equivalents ($.....57,304,324) and short-term investments ($.....148,373,260)	276,969,931		276,969,931	180,278,560
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets	203,143,597		203,143,597	137,348,223
9. Receivables for securities	2,479,278		2,479,278	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	3,484,626	0	3,484,626	3,516,367
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,429,909,579	0	1,429,909,579	1,246,036,328
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	5,059,965		5,059,965	4,851,486
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($.....137,539,920) and contracts subject to redetermination ($.....32,423,505)	173,600,706	3,458,284	170,142,423	180,806,581
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,266,325		3,266,325	9,942,321
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	54,003,949	601,051	53,402,899	69,398,080
18.1 Current federal and foreign income tax recoverable and interest thereon			0	8,478,760
18.2 Net deferred tax asset	50,784,165	26,362,613	24,421,552	29,045,723
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	15,092,279	7,408,061	7,684,218	8,693,596
21. Furniture and equipment, including health care delivery assets ($..........0)	26,142,048	26,142,048	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	11,442,902	1,701,305	9,741,597	13,189,918
24. Health care ($.....28,928,144) and other amounts receivable	57,044,842	5,346,011	51,698,831	49,743,584
25. Aggregate write-ins for other than invested assets	84,580,272	41,133,867	43,446,405	44,356,083
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	1,910,927,033	112,153,240	1,798,773,793	1,664,542,460
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	1,910,927,033	112,153,240	1,798,773,793	1,664,542,460

DETAILS OF WRITE-INS

1101. Deposits with National Accounts	3,484,626		3,484,626	3,516,367
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	3,484,626	0	3,484,626	3,516,367
2501. Supplemental Savings Plan	43,114,041		43,114,041	44,023,719
2502. Other Assets	332,364		332,364	332,364
2503. Other Non-Admitted Assets	41,133,867	41,133,867	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)	84,580,272	41,133,867	43,446,405	44,356,083

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....5,825,872 reinsurance ceded)	237,170,704	666,803	237,837,507	225,461,260
2.	Accrued medical incentive pool and bonus amounts	3,711,161		3,711,161	3,980,682
3.	Unpaid claims adjustment expenses	6,012,997		6,012,997	6,102,438
4.	Aggregate health policy reserves, including the liability of $.....2,067,458 for medical loss ratio rebate per the Public Health Service Act	139,185,051		139,185,051	138,053,165
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserve			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance	45,356,725		45,356,725	36,011,243
9.	General expenses due or accrued	325,309,260		325,309,260	258,290,478
10.1	Current federal and foreign income tax payable and interest thereon (including $..........0 on realized gains (losses))	17,872,672		17,872,672	
10.2	Net deferred tax liability			0	
11.	Ceded reinsurance premiums payable	4,159,697		4,159,697	3,841,956
12.	Amounts withheld or retained for the account of others	46,986,869		46,986,869	50,142,293
13.	Remittances and items not allocated	831,719		831,719	200,538
14.	Borrowed money (including $..........0 current) and interest thereon $..........0 (including $..........0 current)			0	
15.	Amounts due to parent, subsidiaries and affiliates	60,115		60,115	796,192
16.	Derivatives			0	
17.	Payable for securities	2,178,068		2,178,068	
18.	Payable for securities lending			0	
19.	Funds held under reinsurance treaties with ($..........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	60,603,402		60,603,402	55,184,343
23.	Aggregate write-ins for other liabilities (including $..........0 current)	20,003,804	0	20,003,804	20,141,327
24.	Total liabilities (Lines 1 to 23)	909,442,245	666,803	910,109,048	798,205,915
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	40,900,000
26.	Common capital stock	XXX	XXX		
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX		
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	888,664,746	825,436,545
32.	Less treasury stock, at cost:				
	32.1 .....0.000 shares common (value included in Line 26 $..........0)	XXX	XXX		
	32.2 .....0.000 shares preferred (value included in Line 27 $..........0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	888,664,746	866,336,545
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	1,798,773,794	1,664,542,460

DETAILS OF WRITE-INS

2301.	Deferred Gain on Capitalization of joint venture	19,617,685		19,617,685	19,617,685
2302.	Miscellaneous	386,119		386,119	523,642
2303.				0	
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	20,003,804	0	20,003,804	20,141,327
2501.	2018 ACA Insurer Fee Estimate	XXX	XXX		40,900,000
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	XXX	XXX	0	40,900,000
3001.					
3002.					
3003.					
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months	XXX	3,921,480	4,119,492	8,147,024
2. Net premium income (including $..........0 non-health premium income)	XXX	1,273,740,060	1,262,955,071	2,527,134,174
3. Change in unearned premium reserves and reserve for rate credits	XXX	(2,820,586)	(2,151,420)	(3,421,193)
4. Fee-for-service (net of $..........0 medical expenses)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	1,270,919,474	1,260,803,651	2,523,712,982
Hospital and Medical:				
9. Hospital/medical benefits		570,704,921	582,483,736	1,185,779,837
10. Other professional services		20,362,795	20,216,843	41,460,681
11. Outside referrals		14,424,688	14,500,298	
12. Emergency room and out-of-area		125,257,885	187,788,236	366,612,317
13. Prescription drugs		245,379,517	270,663,091	558,588,863
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		5,330,639	6,376,767	12,810,635
16. Subtotal (Lines 9 to 15)	0	981,460,447	1,082,028,971	2,165,252,334
Less:				
17. Net reinsurance recoveries		(27,317,378)	(19,888,575)	(51,679,047)
18. Total hospital and medical (Lines 16 minus 17)	0	1,008,777,825	1,101,917,546	2,216,931,381
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....3,258,158 cost containment expenses		41,309,708	38,160,175	91,513,500
21. General administrative expenses		170,332,817	103,699,210	208,983,349
22. Increase in reserves for life and accident and health contracts (including $..........0 increase in reserves for life only)		(1,080,966)	(436,330)	(860,552)
23. Total underwriting deductions (Lines 18 through 22)	0	1,219,339,384	1,243,340,601	2,516,567,678
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	51,580,090	17,463,050	7,145,304
25. Net investment income earned		10,480,062	7,724,561	16,457,361
26. Net realized capital gains (losses) less capital gains tax of $.....3,408,543		12,829,912	(241,428)	7,705,335
27. Net investment gains or (losses) (Lines 25 plus 26)	0	23,309,974	7,483,132	24,162,696
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $..........0) (amount charged off $..........0)]				
29. Aggregate write-ins for other income or expenses	0	317,152	317,955	1,308,130
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	75,207,215	25,264,137	32,616,130
31. Federal and foreign income taxes incurred	XXX	22,942,889	6,073,856	1,949,765
32. Net income (loss) (Lines 30 minus 31)	XXX	52,264,326	19,190,281	30,666,365

DETAILS OF WRITE-INS

	1	2	3	4
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		317,152	318,955	1,309,130
2902. State Tax Expense			(1,000)	(1,000)
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	317,152	317,955	1,308,130

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year	866,336,545	842,782,354	842,782,354
34. Net income or (loss) from Line 32	52,264,326	19,190,281	30,666,365
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of $..........0	(12,052,207)	6,156,987	20,642,883
37. Change in net unrealized foreign exchange capital gain or (loss)		(43,977)	(21,464)
38. Change in net deferred income tax	4,090	(1,473,766)	(37,106,280)
39. Change in nonadmitted assets	(18,202,640)	(6,436,167)	8,773,109
40. Change in unauthorized and certified reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus	314,631	242,657	599,578
48. Net change in capital and surplus (Lines 34 to 47)	22,328,201	17,636,015	23,554,191
49. Capital and surplus end of reporting period (Line 33 plus 48)	888,664,746	860,418,370	866,336,545

DETAILS OF WRITE-INS			
4701. Capital Lease Adjustment	314,631	242,657	599,578
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	314,631	242,657	599,578

CASH FLOW

		1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance	1,291,041,819	1,286,582,169	2,497,719,680
2.	Net investment income	15,655,874	22,773,009	22,465,105
3.	Miscellaneous income			
4.	Total (Lines 1 through 3)	1,306,697,693	1,309,355,177	2,520,184,785
5.	Benefit and loss related payments	981,232,082	1,119,229,379	2,218,555,334
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	122,386,419	174,916,324	310,813,670
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $.....3,408,543 tax on capital gains (losses)	0	(1,465,991)	(2,786,085)
10.	Total (Lines 5 through 9)	1,103,618,500	1,292,679,713	2,526,582,919
11.	Net cash from operations (Line 4 minus Line 10)	203,079,192	16,675,465	(6,398,134)
	CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	187,480,634	46,050,130	367,946,543
	12.2 Stocks	38,702,166	2,243,323	32,922,138
	12.3 Mortgage loans			
	12.4 Real estate			
	12.5 Other invested assets		39,580	1,001,316
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			(11,439)
	12.7 Miscellaneous proceeds	2,209,810	4,317,204	4,302,192
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	228,392,610	52,650,237	406,160,751
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	246,412,971	75,542,600	384,168,025
	13.2 Stocks	1,704,991	24,635,310	7,577,327
	13.3 Mortgage loans			
	13.4 Real estate	4,922,663	4,208,986	7,801,603
	13.5 Other invested assets	63,000,000	20,000,000	41,001,316
	13.6 Miscellaneous applications	2,479,278	1,395	47,621
	13.7 Total investments acquired (Lines 13.1 to 13.6)	318,519,902	124,388,291	440,595,892
14.	Net increase or (decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(90,127,292)	(71,738,054)	(34,435,142)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes			
	16.2 Capital and paid in surplus, less treasury stock			
	16.3 Borrowed funds			
	16.4 Net deposits on deposit-type contracts and other insurance liabilities			
	16.5 Dividends to stockholders			
	16.6 Other cash provided (applied)	(16,260,530)	(8,739,581)	(11,295,919)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(16,260,530)	(8,739,581)	(11,295,919)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	96,691,371	(63,802,170)	(52,129,195)
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	180,278,558	232,407,753	232,407,753
	19.2 End of period (Line 18 plus Line 19.1)	276,969,929	168,605,583	180,278,558

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

20.0001			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	665,312	235,903	137,470	119,692	26,540	50,452	66,090	15,323		13,842
2. First Quarter	657,477	227,885	135,379	119,904	28,358	52,390	66,664	12,968		13,929
3. Second Quarter	651,520	225,448	134,030	119,876	28,674	52,268	66,271	12,787		12,166
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	3,921,480	1,364,945	811,828	719,901	170,462	315,311	400,047	77,712		61,274
Total Member Ambulatory Encounters for Period:										
7. Physician	1,618,797	177,742	166,803	1,073,953		200,299				
8. Non-Physician	2,397,308	416,662	730,866	1,249,780						
9. Total	4,016,105	594,404	897,669	2,323,733	0	200,299	0	0	0	0
10. Hospital Patient Days Incurred	2,161,211	229,874	681,557	1,249,780						
11. Number of Inpatient Admissions	21,509	662	3,607	17,240						
12. Health Premiums Written (a)	1,246,425,411	564,255,418	295,671,254	133,044,046	3,325,950	24,592,780	137,949,165	71,018,208		16,568,590
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	1,243,604,826	566,230,657	295,674,219	132,967,769	3,325,950	24,637,929	133,181,591	71,018,208		16,568,503
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	956,458,642	396,218,407	235,923,421	110,252,656	2,170,417	16,939,371	117,086,318	61,048,786		16,819,266
18. Amount Incurred for Provision of Health Care Services	981,460,447	431,094,479	229,592,777	110,962,203	2,124,554	16,932,371	116,724,591	56,099,093		17,930,379

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....71,018,208.

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	43,815,304	1,798,165	1,596,105	334,712	403,447	47,947,733
0499999. Subtotals	43,815,304	1,798,165	1,596,105	334,712	403,447	47,947,733
0599999. Unreported Claims and Other Claim Reserves						195,715,647
0799999. Total Claims Unpaid						243,663,379
0899999. Accrued Medical Incentive Pool and Bonus Amounts						3,711,161

Statement as of June 30, 2018 of the **USAble Mutual Insurance Company**

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	107,921,764	592,695,558	6,284,457	171,948,751	114,206,221	162,175,121
2. Medicare Supplement	17,079,397	93,173,259	822,719	20,177,281	17,902,116	20,295,450
3. Dental only	1,232,476	15,706,895	53,042	1,482,958	1,285,518	1,543,000
4. Vision only		2,170,417			0	45,863
5. Federal Employees Health Benefits Plan	15,656,052	100,893,246	990,718	16,140,814	16,646,770	17,102,335
6. Title XVIII - Medicare	15,225,644	44,577,271	1,010,683	13,433,334	16,236,327	16,975,376
7. Title XIX - Medicaid					0	
8. Other health	409,343	16,414,950	215,792	5,276,958	625,135	7,324,115
9. Health subtotal (Lines 1 to 8)	157,524,676	865,631,596	9,377,411	228,460,096	166,902,087	225,461,260
10. Healthcare receivables (a)		32,085,334			0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	719,476	4,880,684		3,711,161	719,476	3,980,682
13. Totals (Lines 9-10+11+12)	158,244,152	838,426,946	9,377,411	232,171,257	167,621,563	229,441,942

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

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Arkansas Blue Cross and Blue Shield are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department.

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

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) USAble Mutual Insurance Company Company state basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	$ 52,264,327	$ 30,666,365
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				$	$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				$	$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	$ 52,264,327	$ 30,666,365
SURPLUS					
(5) USAble Mutual Insurance Company Company state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	$888,664,746	$866,336,545
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				$	$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				$	$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	$888,664,746	$866,336,545

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

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

C. Accounting Policy

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

In addition, the company uses the following accounting policies:

1) Short-term investments are stated at amortized cost.
2) Bonds not backed by other loans and are stated at amortized cost using the interest method. The company is not currently holding any SVO-Identified investments.
3) Common Stocks are carried at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
4) The Company does not have preferred stock.
5) The Company does not have mortgage loans.
6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities.
7) Common stock investments in affiliates including limited liability companies are carried at their NAIC SAP or GAAP equity values in accordance with the requirements of SSAP no. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities.*
8) The Company has minor investments in joint ventures, partnerships and limited liability companies. See (7) above for accounting policy.
9) The Company does not have derivatives.
10) The Company does not have premium deficiency reserves.
11) The Company sets the claims liability at the regional level, but there are reasonableness checks using a reserve set on an overall basis. When setting liability, the 7 methods described below are employed. Based on the estimates of these methods and retrospective considerations, the best estimate is set, and then an explicit margin is added to ensure that the estimate is sufficient.

a. **Aggregate Method:** Here, we subtract 12 months of paid claims from 12 months of estimated incurred claims to get our liability estimate
b. **3 Month Average Method**: As our base liability estimate, we use the average liability of the third, fourth, and fifth month prior to the current month. Adjustments are made for trend, membership change, and backlog to come up with the current month's estimate of liability.
c. **Previous Year's Cost per Member Method:** This method starts out by taking the average cost per member for the prior year's four month ending period. This four month average cost from the previous year is then trended forward to get an estimate as to what the average four month ending incurred cost would be for the current year. From this, we subtract the equivalent four month's paid claims to get an estimate of what the most recent four month's liability will be. To get the total liability in addition to just the most recent four

month's reserve, we add the accumulated liability from four months past that comes to us straight from the T440 report.

d. Previous Year's IBNR Method This method is similar to the Three Month Average Method, except that we use the actual reserve from one year ago as our base estimate of liability. This is projected forward using adjustments for trend, membership change, and backlog.

e. ABCBS PMPM Method This method allows us to set what we think the incurred PMPM will be for each of the last three months. This lets us take into account seasonality or other unusual circumstances that straight averages wouldn't normally pick up. After we have set the last three month's PMPMs, we subtract what has been paid thus far in those three months to come up with an estimate for the most recent three month's liability. Any liability remaining for the time period prior to the most recent three-month period is picked up from the accumulated liability number straight off of the T440 report. Historical completion factors are calculated on a 36 month basis.

f. HMO PMPM Method: We have employed some additional PMPM methods on some of our larger blocks. The only difference between the HMO PMPM method and the ABCBS PMPM Method described above is the manner in which the historical completion factors are calculated. This method calculates completion factors by incurral year. Completion factors used for the current year are based on the previous year's experience.

g. 12 Month CF Method: This is identical to the ABCBS PMPM Method, except that historical completion factors are based on 12 months rolling data, and not 36 months' worth of data.

13) Pharmacy rebate receivable estimates are based upon a history of rebates billed vs. paid pharmacy claims.

D. Going Concern

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

Note 2 – Accounting Changes and Corrections of Errors

No significant changes

Note 3 – Business Combinations and Goodwill

No significant changes

Note 4 – Discontinued Operations

No significant changes

Note 5 – Investments

D. Loan-Backed Securities

(1) Description of Sources Used to Determined Prepayment Assumptions

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

(2) Other-Than-Temporary Impairments

Not Applicable

(3) Recognized OTTI securities

Not Applicable

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

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

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

Not Applicable

E. Dollar Repurchase Agreements and/or Securities Lending Transactionns

Not Applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

M. Working Capital Finance Investments

Not Applicable

N. Offsetting and Netting of Assets and Liabilities

Not Applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

No significant changes

Note 7 – Investment Income

No significant changes

Note 8 – Derivative Instruments

H. The Aggregate, Non-Discounted Total Premium Cost for these Contracts and the Premium Cost Due in Each of the Following Four Years

Not Applicable

Note 9: Income Taxes

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

1.

	06/30/18		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	74,284,638	943,288	75,227,926
(b) Statutory Valuation Allowance Adjustment	1,522,500	0	1,522,500
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	72,762,138	943,288	73,705,426
(d) Deferred Tax Assets Nonadmitted	26,362,613	0	26,362,613
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	46,399,524	943,288	47,342,813
(f) Deferred Tax Liabilities	705,906	22,215,356	22,921,262
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	45,693,619	(21,272,068)	24,421,551

	12/31/17		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	72,786,891	848,518	73,635,409
(b) Statutory Valuation Allowance Adjustment	1,522,500	0	1,522,500
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	71,264,391	848,518	72,112,909
(d) Deferred Tax Assets Nonadmitted	16,669,178	0	16,669,178

NOTES TO FINANCIAL STATEMENTS

(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	54,595,213	848,518	55,443,731
(f) Deferred Tax Liabilities	715,191	25,682,817	26,398,009
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	53,880,021	(24,834,299)	29,045,722

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
(a) Gross Deferred Tax Assets	1,497,747	94,770	1,592,517
(b) Statutory Valuation Allowance Adjustment	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	1,497,747	94,770	1,592,517
(d) Deferred Tax Assets Nonadmitted	9,693,435	0	9,693,435
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	(8,195,688)	94,770	(8,100,918)
(f) Deferred Tax Liabilities	(9,286)	(3,467,461)	(3,476,747)
(g) Net Admitted Deferred Tax Assets/(Net Deferred Liab) (1e - 1f)	(8,186,402)	3,562,231	(4,624,171)

2.

	06/30/18		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components - SSAP 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	20,948,370	(3,862,360)	17,086,010
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	3,473,182	3,862,360	7,335,541
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	3,473,182	3,862,360	7,335,541
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	3,473,182	3,862,360	7,335,541
(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	21,977,973	943,288	22,921,262
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	46,399,524	943,288	47,342,813

	12/31/17		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components - SSAP 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	23,872,156	0	23,872,156
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	5,173,567	0	5,173,567
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	5,173,567	0	5,173,567
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	5,173,567	0	5,173,567
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	25,549,490	848,518	26,398,008
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	54,595,213	848,518	55,443,731

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

NOTES TO FINANCIAL STATEMENTS

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	(2,923,786)	(3,862,360)	(6,786,146)
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Asset from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	(1,700,386)	3,862,360	2,161,974
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	(1,700,386)	3,862,360	2,161,974
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	(1,700,386)	3,862,360	2,161,974
(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	(3,571,517)	94,770	(3,476,746)
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101 - Total (2(a) + 2(b) + 2(c))	(8,195,689)	94,770	(8,100,918)

3.

	2018	2017
(a) Ratio Percentage used to determine Recovery Period and Threshold Limitation Amount	835%	808%
(b) Amount of Adjusted Capital and Surplus used to determine Recovery Period and Threshold Limitation in 2(b)2 above	756,864,480	771,028,049

4.

	06/30/18		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Impact of Tax Planning Strategies			
1. Adjusted Gross DTAa Amount From Note 9A1(c)	72,762,138	943,288	73,705,426
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)	46,399,524	943,288	47,342,813
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%

	12/31/17		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Impact of Tax Planning Strategies			
1. Adjusted Gross DTAa Amount From Note 9A1(c)	71,264,391	848,518	72,112,909
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	54,595,213	848,518	55,443,731
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 3-6) Total
Impact of Tax Planning Strategies			
1. Adjusted Gross DTAa Amount From Note 9A1(c)	1,497,747	94,770	1,592,517
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)	(8,195,688)	94,770	(8,100,918)
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of reinsurance?

Yes	
No	X

B. Regarding deferred tax liabilities that are not recognized:

NOTES TO FINANCIAL STATEMENTS

Not applicable

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

1. Current Income Tax:

	(1) 06/30/18	(2) 12/31/17	(3) (Col 1-2) Change
(a) Federal	25,601,409	5,330,009	20,271,400
(b) Foreign	-	-	-
(c) Subtotal	25,601,409	5,330,009	20,271,400
(d) Federal Income Tax on net capital gains	3,408,543	(3,457,325)	6,865,868
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	(2,658,520)	(3,380,244)	721,724
(g) Federal & Foreign income tax incurred	26,351,432	(1,507,560)	27,858,992

0

2. Deferred Tax Assets:

	(1) 06/30/18	(2) 12/31/17	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	593,943	716,725	(122,782)
(2) Unearned premium reserves	-	-	-
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred Acquistion Costs	576,240	5,368,619	(4,792,379)
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	4,754,453	4,580,027	174,426
(8) Compensation and benefits accrual	43,214,503	43,291,977	(77,474)
(9) Pension accrual	-	-	-
(10)Receivables - nonadmitted	13,532,814	11,952,713	1,580,101
(11)Net operating loss carry-forward	-	-	-
(12)Tax credit carry-forward	3,473,182	5,008,105	(1,534,924)
(13)Other	8,139,503	1,868,725	6,270,778
(99) Subtotal - Ordinary	74,284,638	72,786,891	1,497,747
(b) Statutory valuation allowance adjustment	1,522,500	1,522,500	-
(c) Nonadmitted - Ordinary	26,362,613	16,669,178	9,693,435
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	46,399,524	54,595,213	(8,195,688)
(e) Capital:			
(1) Investments	943,288	848,518	94,770
(2) Net capital loss carry-forward	-	-	-

NOTES TO FINANCIAL STATEMENTS

(3) Real estate	-	-	-
(4) Other	-	-	-
(99) Subtotal - Capital	943,288	848,518	94,770
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted - Capital	-	-	-
(h) Admitted capital deferred tax assets (2a99-2b-2c)	943,288	848,518	94,770
(i) Admitted deferred tax assets (2d + 2h)	47,342,813	55,443,731	(8,100,918)

3. Deferred Tax Liabilities:

	(1) 06/30/18	(2) 12/31/17	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Investments	142,544	151,830	(9,286)
(2) Fixed Assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	563,361	563,361	-
(99) Subtotal - Ordinary	705,906	715,191	(9,286)
(b) Capital:			
(1) Investments	22,215,356	25,682,817	(3,467,461)
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal - Capital	22,215,356	25,682,817	(3,467,461)
(c) Deferred tax liabilities (3a99 + 3b99h)	22,921,262	26,398,009	(3,476,747)

4. Net Deferred Tax Assets/Liabilities (2i - 3c)	24,421,551	29,045,722	(4,624,171)

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

	06/30/18	
	Amounts	Effective Tax Rate %
Permanent Differences:		
Provision computed at statutory rate	16,509,309	21.0%
Proration of tax exempt income	48,479	0.1%
Tax exempt income deduction	(125,344)	-0.2%
Dividends received deduction	(68,571)	-0.1%
Disallowed travel and entertainment	42,967	0.1%
Other permanent differences	9,949,063	12.7%
Temporary Differences:		
Total ordinary DTAs	0	0.0%
Total ordinary DTLs	0	0.0%

Total capital DTAs	0	0.0%
Total capital DTLs	0	0.0%
Other:		
Statutory valuation allowance adjustment	0	0.0%
Accrual adjustment - prior year	55,633	0.1%
Other	(64,193)	-0.1%
Totals	26,347,342	33.5%
Federal and foreign income taxes incurred	22,942,889	29.2%
Realized capital gains/(losses) tax	3,408,543	4.3%
Change in net deferred income taxes	(4,089)	0.0%
Total statutory income taxes	26,347,342	33.5%

E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:

Description (NOL or tax credit cfw	Amount	Origination Date	Expiration Date
none	0	0	0

2. The following is income tax expense for the current year and proceeding years that is available for recoupment in the event of future net losses.

Year	Amount
2017	2,609,412
2016	2,365,008

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code is 0.

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

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

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

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

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

Note 11 – Debt

B. FHLB (Federal Home Loan Bank) Agreements

(1) Nature of the Agreement

(2) FHLB Capital Stock

NOTES TO FINANCIAL STATEMENTS

a. Aggregate Totals

1. Current Year

	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 Year 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 (Current Year0

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

b. Maximum Amount Pledged During Year

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

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	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

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

b. Maximum Amount During Reporting Period (Current Year)

	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	

NOTES TO FINANCIAL STATEMENTS

	Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO)
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	
	2018	2017	2018	2017	2018	2017
a. Service cost	$	$	$ 418,000	$ 950,000	$	$
b. Interest cost			2,693,500	6,170,000		
c. Expected return on plan assets						
d. Transition asset or obligation						
e. Gains and losses			(1,307,000)	(2,614,000)		
f. Prior service cost or credit			272,000	1,193,000		
g. Gain or loss recognized due to a settlement curtailment						
h. Total net periodic benefit cost	$	$	$ 2,076,500	$ 5,699,000	$	$

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

No significant changes

Note 14 – Liabilities, Contingencies and Assessments

No significant changes

Note 15 – Leases

No significant changes

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

No significant changes

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

B. Transfer and Servicing of Financial Assets

Not Applicable

C. Wash Sales

Not Applicable

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

No significant changes

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

No significant changes

Note 20 – Fair Value Measurements

A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
Assets at Fair Value					

NOTES TO FINANCIAL STATEMENTS

	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
Bonds	$	$	$	$	$
Industrial and Misc	$	$ 621,530	$	$ 621,530	$
Common Stock	$	$	$	$	$
Industrial and Misc	$ 52,373,263	$ 9,637,152	$	$ 62,010,415	$
Mutual Fund	$	$	$	$	$
Parent, Subsidiaries, and Affiliates	$	$	$ 167,299,501	$ 167,299,501	$
Total	$ 52,373,263	$ 10,258,681	$ 167,299,501	$ 229,931,446	$
Liabilities at Fair Value					
	$	$	$	$	$
Total	$	$	$	$	$

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

	Beginning Balance at 1/1/2018	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settle-ments	Ending Balance at 12/31/2018
a. Assets										
Parent, Subsidiaries and Affiliates	$ 168,315,746	$	$	$	$ (1,016,245)	$	$	$	$	$ 167,299,501
Total	$ 168,315,746	$	$	$	$ (1,016,245)	$	$	$	$	$ 167,299,501
b. Liabilities										
	$	$	$	$	$	$	$	$	$	$
Total	$	$	$	$	$	$	$	$	$	$

(3) Policies when Transfers Between Levels are Recognized

Not Applicable

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

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

(5) Fair Value Disclosures

Not Applicable

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

Not Applicable

C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Bonds	$ 621,530	$ 621,530	$	$ 621,530	$	$	$
Common Stock	$ 229,309,917	$ 229,309,917	$ 52,373,263	$ 9,637,152	$ 167,299,502	$	$

D. If it is not practicable for an entity to estimate the fair value of a financial instrument or a class of financial instruments, disclose the information pertinent to estimating the fair value of that instrument and the reasons why it is not practicable to estimate fair value:

Not Applicable

Note 21 – Other Items

No significant changes

Note 22 – Events Subsequent

No significant changes

Note 23 – Reinsurance

No significant changes

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

NOTES TO FINANCIAL STATEMENTS

E. Risk Sharing Provisions of the Affordable Care Act

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

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

a. Permanent ACA Risk Adjustment Program	AMOUNT
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	$ 27,164,178
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	$
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool payments)	$
Operations (Revenue & Expenses)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	$
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	$

b. Transitional ACA Reinsurance Program	AMOUNT
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	$ 180,182
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	$
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	$
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	$
5. Ceded reinsurance premiums payable due to ACA Reinsurance	$
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	$
Operations (Revenue & Expenses)	
7. Ceded reinsurance premiums due to ACA Reinsurance	$
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	$
9. ACA Reinsurance contributions – not reported as ceded premium	$

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

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

	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		0	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high risk pool payments)	$ 27,164,178	$	$	$	$ 27,164,178	$	$	$	A	$ 27,164,178	$
2. Premium adjustments (payable) (including high risk pool payments)									B		
3. Subtotal ACA Permanent Risk Adjustment Program	$ 27,164,178	$	$	$	$ 27,164,178	$	$	$		$ 27,164,178	$
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	$ 6,273,001	$	$ 6,092,819	$	$ 180,182	$	$	$	C	$ 180,182	$
2. Amounts recoverable for claims unpaid (contra liability)									D		
3. Amounts receivable relating to uninsured plans									E		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premiums									F		
5. Ceded reinsurance									G		

NOTES TO FINANCIAL STATEMENTS

	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		0	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
premiums payable											
6. Liability for amounts held under uninsured plans									H		
7. Subtotal ACA Transitional Reinsurance Program	$ 6,273,001	$	$ 6,092,819	$	$ 180,182	$	$	$		$ 180,182	$
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	$	$	$	$	$	$	$	$	I	$	$
2. Reserve for rate credits or policy experience rating refunds									J		
3. Subtotal ACA Risk Corridors Program	$	$	$	$	$	$	$	$		$	$
d. Total for ACA Risk Sharing Provisions	$ 33,437,179	$	$ 6,092,819	$	$ 27,344,360	$	$	$		$ 27,344,360	$

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

	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		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	$	$	$	$	$	$	$	$	A	$	$
2. Reserve for rate credits for policy experience rating refunds	$	$	$	$	$	$	$	$	B	$	$
b. 2015											
1. Accrued retrospective premium	$	$	$	$	$	$	$	$	C	$	$
2. Reserve for rate credits or policy experience rating refunds	$	$	$	$	$	$	$	$	D	$	$
c. 2018											
1. Accrued retrospective premium	$	$	$	$	$	$	$	$	E	$	$
2. Reserve for rate credits or policy experience rating refunds	$	$	$	$	$	$	$	$	F	$	$
d. Total for Risk Corridors	$	$	$	$	$	$	$	$		$	$

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

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts Received from CMS	4 Asset Balance (Gross of Non-Admissions) (1-2-3)	5 Non-Admitted Amount	5 Net Admitted Asset (4–5)
a. 2014	$	$	$	$	$	$
b. 2017	15,919,592	15,919,592				
c. 2018	19,020,408	19,020,408				

NOTES TO FINANCIAL STATEMENTS

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts Received from CMS	4 Asset Balance (Gross of Non-Admissions) (1-2-3)	5 Non-Admitted Amount	5 Net Admitted Asset (4–5)
d. Total (a+b+c)	$ 34,940,000	$ 34,940,000	$	$	$	$

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A. Change in Incurred Losses and Loss Adjustment Expenses

12/31/2017 Reserves	$ 225,461,259	(includes Due and Unpaid)
2017 Claims paid in 2018	(157,524,676)	
2017 Claims Due and Unpaid	(50,574,032)	
Adjusted Net Reserves	$ 17,362,551	
2017 Remaining Reserves @ 12/31/18	9,377,411	
Favorable Development	$ 7,985,140	

B. Information about Significant Changes in Methodologies and Assumptions

No significant changes

Note 26 – Intercompany Pooling Arrangements

No significant changes

Note 27 – Structured Settlements

Not Applicable for Health Companies

Note 28 – Health Care Receivables

No significant changes

Note 29 – Participating Policies

No significant changes

Note 30 – Premium Deficiency Reserves

No significant changes

Note 31 – Anticipated Salvage and Subrogation

No significant changes

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change:

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

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

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

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

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

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

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

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

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

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

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

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/28/2017

6.4 By what department or departments?

Arkansas Insurance Department

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

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

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

7.2 If yes, give full information:

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

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

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

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

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

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

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

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

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

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

(e) Accountability for adherence to the code.

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

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

		1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21	Bonds	$ 0	$ 0
14.22	Preferred Stock	0	0
14.23	Common Stock	167,411,928	167,299,501
14.24	Short-Term Investments	0	0
14.25	Mortgage Loans on Real Estate	0	0
14.26	All Other	94,978,028	97,732,415
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 262,389,956	$ 265,031,916
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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

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

If no, attach a description with this statement.

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
US Bank Institutional Trust and Custody	PO Box 387, St. Louis, MO 61366-0387

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

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Foundtion Resource Management	U
Wells Capital Management Inc.	U
Grey D. Dillard	I
Martingale Asset Management, LP	U
Barings, LLC	U
Pacific Investment Management Copany 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	Foundtion Resource Management	N/A	SEC	NO

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
104973	Wells Capital Management Inc.	54300B3H2IOO2L85I90	SEC	NO
108526	Martingale Asset Management, LP	549300GXM5ZGZJXZ1Y74	SEC	NO
106006	Barings, LLC	ANDKRHQKPRRG4Q2KLR05	SEC, CFTC, NFA	NO
104559	Pacific Investment Management Company LLC	549300KGPYQZXGMYYN38	SEC	NO

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

18.2 If no, list exceptions:

19. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5*GI securities? Yes [ ] No [X]

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent	79.4 %
1.2 A&H cost containment percent	0.3 %
1.3 A&H expense percent excluding cost containment expenses	16.4 %

2.1	Do you act as a custodian for health savings accounts?	Yes [ ]	No [X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.		0
2.3	Do you act as an administrator for health savings accounts?	Yes [ ]	No [X]
2.4	If yes, please provide the amount of funds administered as of the reporting date.		0
3.	Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?	Yes [X]	No [ ]
3.1	If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile or the reporting entity?	Yes [ ]	No [ ]

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

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

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status (a)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	L	1,025,281,382	71,018,208		137,949,165			1,234,248,756	
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	12,176,655						12,176,655	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	1,037,458,037	71,018,208	0	137,949,165	0	0	1,246,425,411	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	XXX	1,037,458,037	71,018,208	0	137,949,165	0	0	1,246,425,411	0

DETAILS OF WRITE-INS

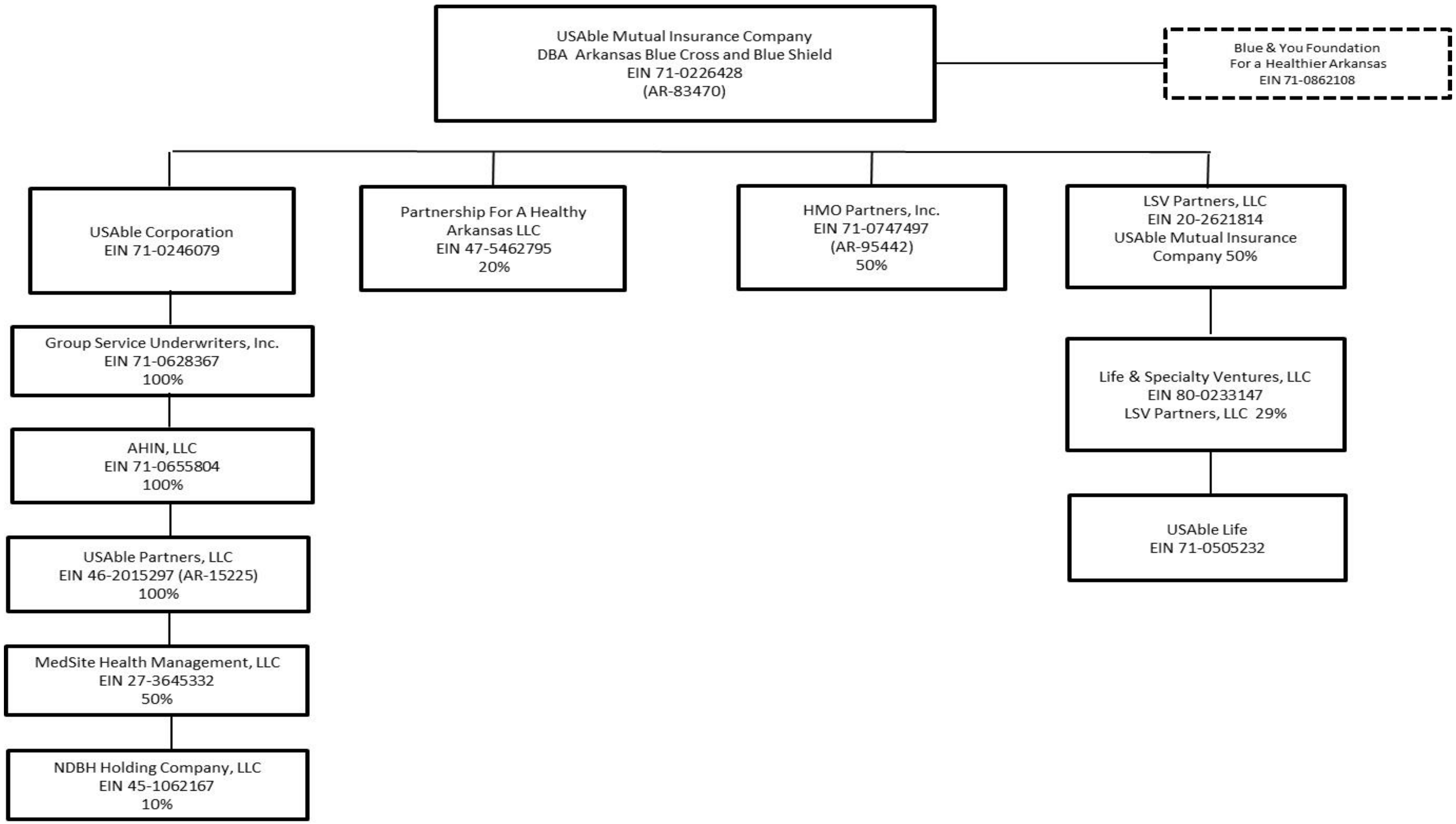
	1	2	3	4	5	6	7	8	9
58001.								0	
58002.								0	
58003.								0	
58998. Summary of remaining write-ins for line 58 from overflow page		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above)		0	0	0	0	0	0	0	0

(a) Active Status Count

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	2	R - Registered - Non-domiciled RRGs	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	0	Q - Qualified - Qualified or accredited reinsurer	0
		N - None of the above - Not allowed to write business in the state	55

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

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
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?	SEE EXPLANATION

Explanation:

1.

Bar Code:

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	55,807,725	53,500,652
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition	4,922,663	7,801,603
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		(63,597)
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation	3,031,760	5,430,933
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	57,698,628	55,807,725
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	57,698,628	55,807,725

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	137,348,223	86,068,544
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		40,000,000
2.2 Additional investment made after acquisition	63,000,000	1,001,316
3. Capitalized deferred interest and other	844,858	
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	2,615,863	11,234,920
6. Total gain (loss) on disposals	(665,347)	44,758
7. Deduct amounts received on disposals		1,001,316
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	203,143,597	137,348,223
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	203,143,597	137,348,223

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	869,085,451	871,387,445
2. Cost of bonds and stocks acquired	248,117,962	391,745,352
3. Accrual of discount	221,592	404,452
4. Unrealized valuation increase (decrease)	(19,001,139)	7,949,208
5. Total gain (loss) on disposals	16,466,577	4,546,731
6. Deduct consideration for bonds and stocks disposed of	226,597,033	401,493,130
7. Deduct amortization of premium	2,574,124	6,609,169
8. Total foreign exchange change in book/adjusted carrying value		1,535,825
9. Deduct current year's other-than-temporary impairment recognized		381,262
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	414,232	
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	886,133,519	869,085,451
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	886,133,519	869,085,451

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	641,595,318	329,205,480	230,269,903	(1,343,748)	641,595,318	739,187,147		615,288,167
2. NAIC 2 (a)	83,253,925	18,907,154	32,744,382	952,850	83,253,925	70,369,548		83,142,649
3. NAIC 3 (a)	6,488,842		5,880,000	12,688	6,488,842	621,530		7,002,450
4. NAIC 4 (a)						0		
5. NAIC 5 (a)						0		
6. NAIC 6 (a)						0		
7. Total Bonds	731,338,085	348,112,635	268,894,285	(378,210)	731,338,085	810,178,225	0	705,433,266
PREFERRED STOCK								
8. NAIC 1						0		
9. NAIC 2						0		
10. NAIC 3						0		
11. NAIC 4						0		
12. NAIC 5						0		
13. NAIC 6						0		
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	731,338,085	348,112,635	268,894,285	(378,210)	731,338,085	810,178,225	0	705,433,266

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 $.....153,354,622; 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	148,373,260	XXX	148,232,081	293,750	565,839

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	52,747,346	162,993,458
2. Cost of short-term investments acquired	196,453,578	157,550,494
3. Accrual of discount	599,930	182,868
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(9,940)	(11,439)
6. Deduct consideration received on disposals	101,417,653	267,963,943
7. Deduct amortization of premium		4,092
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	148,373,260	52,747,346
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	148,373,260	52,747,346

Sch. DB - Pt. A - Verification
NONE

Sch. DB - Pt. B - Verification
NONE

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

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

Sch. DB - Verification
NONE

SCHEDULE E - PART 2 - VERIFICATION

Cash Equivalents

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	88,757,930	
2. Cost of cash equivalents acquired	1,053,960,882	1,837,072,804
3. Accrual of discount	29,959	44,126
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	4	
6. Deduct consideration received on disposals	1,085,444,450	1,748,359,000
7. Deduct amortization of premium		
8. Total foreign exchange change in book/ adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	57,304,324	88,757,930
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	57,304,324	88,757,930

SCHEDULE A - PART 2

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

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Acquired by Purchase								
Main Building Improvements	Little Rock	AR	Various	Improvements				375,183
USACC Improvements: BCBS portion	Little Rock	AR	Various	Improvements				199,902
Texarkana Building Improvements	Texarkana	AR	Various	Improvements				11,623
Timberland Poyen	Poyen	AR	Various	Reforestation				5,370
Timberland Ashdown	Ashdown	AR	Various	Reforestation				11,922
0199999. Totals					0	0	0	604,000
0399999. Totals					0	0	0	604,000

SCHEDULE A - PART 3

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

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

NONE

SCHEDULE B - PART 2

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

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

NONE

SCHEDULE B - PART 3

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

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

NONE

SCHEDULE BA - PART 2

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

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Desig- nation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made after Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated												
97MSCM 3D 9	BABSON CAPITAL FLOATING RATE INCOME FUND		USA.	BABSON CAPITAL FLOATING RATE INCOME FUND		01/31/2017			593,452			
1999999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated								0	593,452	0	0	XXX
4499999. Subtotal - Unaffiliated								0	593,452	0	0	XXX
4699999. Totals								0	593,452	0	0	XXX

SCHEDULE BA - PART 3

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

1	2	Location		5	6	7	8	Changes in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated																			
97MSCM 3D 9	BABSON CAPITAL FLOATING RATE INCOME FUND		USA	Barings	01/31/2017	06/01/2018	(894,706)					0		692,877			(692,877)	(692,877)	(8,215)
1999999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Mortgage Loans - Unaffiliated							(894,706)	0	0	0	0	0	0	692,877	0	0	(692,877)	(692,877)	(8,215)
4499999. Subtotal - Unaffiliated							(894,706)	0	0	0	0	0	0	692,877	0	0	(692,877)	(692,877)	(8,215)
4699999. Totals							(894,706)	0	0	0	0	0	0	692,877	0	0	(692,877)	(692,877)	(8,215)

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 H4 5	UNITED STATES TREASURY		05/02/2018	MERRILL LYNCH PIERCE FENNER & SMITH INC.		4,988,449	5,144,167	3,843	1
912828 ND 8	UNITED STATES TREASURY		06/27/2018	MERRILL LYNCH PIERCE FENNER & SMITH INC.		5,092,969	5,000,000	20,924	1
912828 TE 0	UNITED STATES TREASURY		05/17/2018	MERRILL LYNCH PIERCE FENNER & SMITH INC.		4,999,688	5,095,223	2,164	1
912828 VM 9	UNITED STATES TREASURY		06/06/2018	VARIOUS		9,295,309	8,930,938	10,993	1
912828 WU 0	UNITED STATES TREASURY		04/13/2018	MERRILL LYNCH PIERCE FENNER & SMITH INC.		5,105,373	5,000,000	1,644	1
0599999. Total - Bonds - U.S. Government						29,481,788	29,170,328	39,568	XXX
Bonds - All Other Government									
68323A BK 9	ONTARIO, PROVINCE OF		04/10/2018	CIBC WORLD MARKETS CORP.		1,710,100	1,750,000	12,267	1FE
1099999. Total - Bonds - All Other Government						1,710,100	1,750,000	12,267	XXX
Bonds - U.S. Special Revenue and Special Assessment									
3128MJ 3M 0	FH G08803 - RMBS		04/06/2018	CITIGROUP GLOBAL MARKETS INC.		14,518,205	14,915,565	11,187	1
3128MJ 3S 7	FH G08808 - RMBS		04/09/2018	CITIGROUP GLOBAL MARKETS INC.		14,985,922	14,961,960	14,546	1
3130AD UJ 9	FEDERAL HOME LOAN BANKS		04/10/2018	Morgan Stanley		1,999,440	2,000,000	3,299	1
3132L8 2H 9	FH V83476 - RMBS		04/06/2018	CITIGROUP GLOBAL MARKETS INC.		14,547,096	14,521,003	12,706	1
3137EA DB 2	FREDDIE MAC		04/10/2018	JP MORGAN SECURITIES LLC		1,983,280	2,000,000	11,611	1
3140GW T6 0	FN BH7772 - RMBS		04/10/2018	CITIGROUP GLOBAL MARKETS INC.		20,027,698	20,013,626	21,403	1
3140J7 XW 0	FN BM3392 - RMBS		04/09/2018	JP MORGAN SECURITIES LLC		14,407,798	14,026,454	15,585	1
3140Q7 VM 6	FN CA0619 - RMBS		04/10/2018	CITIGROUP GLOBAL MARKETS INC.		10,223,206	9,970,820	12,187	1
31418C S3 9	FN MA3237 - RMBS		04/09/2018	CITIGROUP GLOBAL MARKETS INC.		9,615,059	9,873,466	8,228	1
494759 NQ 2	KING CNTY WASH HSG AUTH HSG REV		04/19/2018	PERSHING LLC		335,000	335,000		1FE
59261E AH 2	METROPOLITAN TRANSN AUTH N Y SPL OBLIG		06/06/2018	STIFEL NICOLAUS & COMPANY INC.		1,187,352	1,200,000	14,250	1FE
59261E AM 1	METROPOLITAN TRANSN AUTH N Y SPL OBLIG		05/31/2018	STIFEL NICOLAUS & COMPANY INC.		2,000,000	2,000,000	27,353	1FE
64613A AQ 5	NEW JERSEY ST HSG & MTG FIN AGY REV		06/15/2018	RBC CAPITAL MARKETS, LLC		1,000,000	1,000,000		1FE
64971X DZ 8	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		06/26/2018	Morgan Stanley		1,864,042	1,850,000	5,396	1FE
708796 J9 9	PENNSYLVANIA HSG FIN AGY SINGLE FAMILY M		04/10/2018	J.P. MORGAN SECURITIES INC.		922,640	920,000	647	1FE
749845 UK 7	RACINE CNTY WIS		04/30/2018	CHASE SECURITIES INC.		488,565	500,000	3,942	2FE
899154 BB 3	TULARE CNTY CALIF PENSION OBLIG		06/01/2018	RAYMOND JAMES/FI		800,000	800,000		1FE
3199999. Total - Bonds - U.S. Special Revenue and Special Assessments						110,905,303	110,887,894	162,339	XXX
Bonds - Industrial and Miscellaneous									
00206R FZ 0	AT&T INC.		06/21/2018	US BANCORP INVESTMENTS INC.		1,000,000	1,000,000		2FE
00287Y AY 5	ABBVIE INC.		04/11/2018	MLPFS INC FIXED INCOME		522,847	550,000	7,284	2FE
042735 BG 4	ARROW ELECTRONICS INC.		04/11/2018	MERRILL LYNCH PIERCE FENNER SMITH INC.		756,576	800,000	2,528	2FE
05253J AT 8	AUSTRALIA AND NEW ZEALAND BANKING GROUP	C	05/01/2018	DEUTSCHE BANK SECURITIES, INC.		1,371,216	1,400,000	14,438	1FE
06051G FS 3	BANK OF AMERICA CORP		04/09/2018	JP Morgan		2,772,193	2,750,000	20,720	1FE
06054M AC 7	BACM 16UB10 ASB - CMBS		05/15/2018	GOLDMAN, SACHS & CO.		683,348	700,000	939	1FE
09659W 2E 3	BNP PARIBAS SA	C	04/11/2018	JP Morgan		994,600	1,000,000	4,083	1FE
09681L AG 5	BOC AVIATION LTD	C	04/23/2018	JP Morgan		600,000	600,000		1FE
12515G AE 7	CD 17CD3 AAB - CMBS		05/15/2018	GOLDMAN, SACHS & CO.		794,594	800,000	1,228	1FE
126650 CV 0	CVS HEALTH CORP		04/10/2018	Morgan Stanley		1,511,550	1,500,000	5,088	2FE
151020 AJ 3	CELGENE CORP		06/21/2018	RAYMOND JAMES/FI		1,009,730	1,000,000	14,444	2FE
17290Y AS 7	CGCMT 16C1 AAB - CMBS		05/15/2018	GOLDMAN, SACHS & CO.		780,688	800,000	1,068	1FE
17291D AE 3	CGCMT 18C5 AAB - CMBS		06/07/2018	CITIGROUP GLOBAL MARKETS INC.		1,029,962	1,000,000	2,304	1FE
172967 KG 5	CITIGROUP INC		04/09/2018	JP Morgan		2,467,050	2,500,000	22,868	2FE
20271R AM 2	COMMONWEALTH BANK OF AUSTRALIA (NEW YORK	C	04/24/2018	BARCLAYS CAPITAL INC.		1,281,540	1,300,000	15,080	1FE
21685W BT 3	RABOBANK NEDERLAND	C	04/24/2018	MLPFS INC FIXED INCOME		1,345,136	1,300,000	17,063	1FE
22822R BF 6	CROWN CASTLE TOWERS LLC - ABS		06/26/2018	Morgan Stanley		700,000	700,000		1FE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
26441C BA 2	DUKE ENERGY CORP NEW		05/11/2018	CITIGROUP GLOBAL MARKETS INC.		200,000	200,000		2FE
345397 VU 4	FORD MOTOR CREDIT CO LLC		04/11/2018	GOLDMAN, SACHS & CO.		1,334,038	1,250,000	14,484	2FE
361582 AD 1	GEICO CORPORATION		05/30/2018	RAYMOND JAMES/FI		1,488,663	1,250,000	34,708	1FE
37045X AY 2	GENERAL MOTORS FINANCIAL COMPANY INC.		04/10/2018	Morgan Stanley		1,250,313	1,250,000	9,889	2FE
38141G WK 6	GOLDMAN SACHS GROUP INC.		04/09/2018	US Bank		2,522,650	2,500,000	7,900	1FE
404280 AP 4	HSBC HOLDINGS PLC	C	04/11/2018	JP Morgan		1,008,200	1,000,000	3,424	1FE
404280 BA 6	HSBC HOLDINGS PLC	C	04/11/2018	SSB CUSTODIAN		1,002,710	1,000,000	13,800	1FE
404280 BM 0	HSBC HOLDINGS PLC	C	04/11/2018	MITSUBISHI UFJ SECURITIES		1,569,760	1,600,000	19,007	1FE
45378Y AA 2	IPT 18INDP A - CMBS		06/21/2018	GOLDMAN, SACHS & CO.		499,987	500,000	1,411	1FE
46625H KC 3	JPMORGAN CHASE & CO.		04/09/2018	JP Morgan		2,741,757	2,850,000	19,297	1FE
46849L TC 5	JACKSON NATIONAL LIFE GLOBAL FUNDING	C	06/06/2018	GOLDMAN, SACHS & CO.		798,448	800,000		1FE
50077L AJ 5	KRAFT HEINZ FOODS CO.		04/11/2018	GOLDMAN, SACHS & CO.		601,128	600,000	5,133	2FE
539439 AK 5	LLOYDS BANKING GROUP PLC	C	04/11/2018	PERSHING LLC		1,196,052	1,200,000	10,023	1FE
539439 AQ 2	LLOYDS BANKING GROUP PLC	C	04/11/2018	JP MORGAN SECURITIES LLC		1,186,763	1,250,000	19,359	1FE
606822 AP 9	MITSUBISHI UFJ FINANCIAL GROUP INC.	C	04/11/2018	DAIWA CAPITAL MARKETS AMERICA		1,164,948	1,200,000	6,929	1FE
60687Y AP 4	MIZUHO FINANCIAL GROUP INC.	C	04/11/2018	DAIWA CAPITAL MARKETS AMERICA		996,240	1,000,000	3,746	1FE
61690Y BS 0	MSC 16BNK2 ASB - CMBS		05/15/2018	GOLDMAN, SACHS & CO.		675,309	700,000	890	1FE
617446 8C 6	MORGAN STANLEY		04/09/2018	US Bank		2,528,900	2,500,000	21,667	1FE
61767Y AW 0	MSC 18H3 ASB - CMBS		06/27/2018	Morgan Stanley		823,970	800,000	1,007	1FE
63254A AX 6	NATIONAL AUSTRALIA BANK LTD (NEW YORK B	C	05/01/2018	US Bank		1,376,340	1,400,000	9,917	1FE
67077M AB 4	NUTRIEN LTD.		04/10/2018	CORPORATE ACTION		2,979,605	2,850,000	3,859	2FE
67077M AJ 7	NUTRIEN LTD.		04/10/2018	CORPORATE ACTION		1,997,405	1,950,000	1,536	2FE
695156 AQ 2	PACKAGING CORP OF AMERICA		06/27/2018	RAYMOND JAMES/FI		778,658	750,000	5,438	2FE
718172 AT 6	PHILIP MORRIS INTERNATIONAL INC.		04/11/2018	DBTC AMERICAS/PNC BANK, N.A.-S.		1,070,586	1,100,000	3,896	1FE
718546 AC 8	PHILLIPS 66		06/21/2018	Southwest Securities		412,108	400,000	4,013	1FE
760759 AM 2	REPUBLIC SERVICES INC.		04/11/2018	DBTC AMERICAS/PNC BANK, N.A.-S.		318,621	300,000	5,858	2FE
883203 BW 0	TEXTRON INC.		06/22/2018	130		207,375	210,000	2,357	2FE
89152U AF 9	TOTAL CAPITAL SA	C	04/20/2018	BONY/TORONTO DOMINION SECURITI		1,337,453	1,300,000	12,810	1FE
89236T EU 5	TOYOTA MOTOR CREDIT CORP.	C	04/10/2018	JP MORGAN SECURITIES LLC		999,600	1,000,000		1FE
90327Q D2 2	USAA CAPITAL CORP.		06/26/2018	DEUTSCHE BANK SECURITIES, INC.		1,198,440	1,200,000		1FE
92343V EN 0	VERIZON COMMUNICATIONS INC.		04/10/2018	WELLS FARGO SECURITIES LLC		1,972,260	2,000,000	10,691	2FE
949746 RW 3	WELLS FARGO & CO.		04/09/2018	MITSUBISHI UFJ SECURITIES		2,356,025	2,500,000	35,208	1FE
94989Y BA 0	WFCM 16C32 ASB - CMBS		05/15/2018	GOLDMAN, SACHS & CO.		794,500	800,000	1,182	1FE
95001J AV 9	WFCM 18C44 ASB - CMBS		05/01/2018	WELLS FARGO SECURITIES LLC		1,029,989	1,000,000	1,852	1FE
3899999. Total - Bonds - Industrial and Miscellaneous						62,039,826	61,910,000	420,425	XXX
8399997. Total - Bonds - Part 3						204,137,017	203,718,221	634,599	XXX
8399999. Total - Bonds						204,137,017	203,718,221	634,599	XXX
Common Stocks - Industrial and Miscellaneous									
354613 10 1	FRANKLIN RESOURCES ORD		06/28/2018	MERRILL LYNCH,PIERCE,FENNER & SMITH	20,600.000	653,091	XXX		L
878742 20 4	TECK RESOURCES CL B ORD		04/27/2018	UBS FINANCIAL SERVICES INC.	42,100.000	1,051,900	XXX		L
9099999. Total - Common Stocks - Industrial and Miscellaneous						1,704,991	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						1,704,991	XXX	0	XXX
9799999. Total - Common Stocks						1,704,991	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						1,704,991	XXX	0	XXX
9999999. Total - Bonds, Preferred and Common Stocks						205,842,008	XXX	634,599	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
912828 3F 5	UNITED STATES TREASURY		05/01/2018.	VARIOUS		31,964,883	33,500,000	33,170,234	33,171,908		8,358		8,358		33,180,288		(1,215,406)	(1,215,406)	304,838	11/15/2027.	1
912828 G3 8	UNITED STATES TREASURY		06/26/2018.	VARIOUS		5,572,609	5,800,000	5,792,297	5,792,360		496		496		5,792,897		(220,288)	(220,288)	73,308	11/15/2024.	1
912828 NM 8	UNITED STATES TREASURY		05/01/2018.	MERRILL LYNCH PIERCE FENNER & SMITH INC.		262,394	256,307	264,998	266,250	(5,481)	(1,334)		(6,815)		259,435		2,959	2,959	2,396	07/15/2020.	1
912828 SV 3	UNITED STATES TREASURY		04/11/2018.	GOLDMAN, SACHS & CO.		8,476,221	8,750,000	8,713,086	8,717,815		1,986		1,986		8,719,808		(243,588)	(243,588)	40,729	05/15/2022.	1
912828 XG 0	UNITED STATES TREASURY		05/14/2018.	DEUTSCHE BANK SECURITIES, INC.		973,516	1,000,000	1,016,875	1,015,136		(1,200)		(1,200)		1,013,938		(40,422)	(40,422)	18,550	06/30/2022.	1
0599999.	Total - Bonds - U.S. Government					47,249,622	49,306,307	48,957,491	48,963,468	(5,481)	8,307	0	2,826	0	48,966,367	0	(1,716,745)	(1,716,745)	439,820	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
20772J L5 9	CONNECTICUT ST		04/10/2018.	Morgan Stanley		742,208	750,000	759,083	754,863		(507)		(507)		754,355		(12,147)	(12,147)	13,073	08/01/2020.	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					742,208	750,000	759,083	754,863	0	(507)	0	(507)	0	754,355	0	(12,147)	(12,147)	13,073	XXX	XXX
Bonds - U.S. Political Subdivisions of States																					
083419 XM 8	BENTONVILLE ARK SCH DIST NO 006		06/01/2018.	Call @ 100.00		765,000	765,000	820,072	765,000				0		765,000			0	9,563	06/01/2018.	1FE
432841 PP 3	HILTON HEAD IS S C		04/10/2018.	DUNCAN WILLIAMS INC.		340,946	330,000	367,132	355,887		(2,412)		(2,412)		353,463		(12,517)	(12,517)	4,803	12/01/2020.	1FE
480265 QV 2	JONESBORO ARK SCH DIST NO 1		05/01/2018.	CREWS & ASSOCIATES, INC.		947,958	930,000	986,460	958,541		(3,003)		(3,003)		955,538		(7,580)	(7,580)	19,453	02/01/2021.	1FE
64763F QJ 1	NEW ORLEANS LA		04/11/2018.	BANK OF NEW YORK (VSIBG)		327,025	325,000	338,283	333,724		(890)		(890)		332,830		(5,805)	(5,805)	6,297	09/01/2020.	1FE
2499999.	Total - Bonds - U.S. Political Subdivisions of States					2,380,929	2,350,000	2,511,947	2,413,151	0	(6,305)	0	(6,305)	0	2,406,831	0	(25,902)	(25,902)	40,115	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
13058A AA 9	CALIFORNIA PUB FIN AUTH MULTIFAMILY HSG		05/01/2018.	Maturity @ 100.00		1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000			0	5,750	10/01/2019.	1FE
3128MJ 3M 0	FH G08803 - RMBS		06/01/2018.	Paydown		146,190	146,190	142,295			22		22		142,317		3,873	3,873	178	03/01/2048.	1
3128MJ 3S 7	FH G08808 - RMBS		06/01/2018.	Paydown		132,252	132,252	132,464			(3)		(3)		132,461		(209)	(209)	229	04/01/2048.	1
3130AD UJ 9	FEDERAL HOME LOAN BANKS		04/30/2018.	Morgan Stanley		299,163	300,000	299,916			3		3		299,919		(756)	(756)	891	03/30/2020.	1
3132L8 2H 9	FH V83476 - RMBS		06/01/2018.	Paydown		148,302	148,302	148,568			(2)		(2)		148,566		(264)	(264)	230	11/01/2047.	1
3140GW T6 0	FN BH7772 - RMBS		06/01/2018.	Paydown		191,474	191,474	191,608			(2)		(2)		191,607		(133)	(133)	256	08/01/2047.	1
3140J7 XW 0	FN BM3392 - RMBS		06/01/2018.	Paydown		240,679	240,679	247,222			(46)		(46)		247,176		(6,498)	(6,498)	394	01/01/2048.	1
3140Q7 VM 6	FN CA0619 - RMBS		06/01/2018.	Paydown		172,579	172,579	176,947			(30)		(30)		176,918		(4,339)	(4,339)	302	10/01/2047.	1
31418C S3 9	FN MA3237 - RMBS		06/01/2018.	Paydown		92,093	92,093	89,683			13		13		89,695		2,398	2,398	130	01/01/2048.	1
65821D BZ 3	NORTH CAROLINA MED CARE COMMN HEALTH CAR		05/07/2018.	Citigroup Global Markets, Inc.		1,000,000	1,000,000	1,000,000					0		1,000,000			0	2,641	10/01/2028.	1FE
70922P AE 2	PENNSYLVANIA ST TPK COMMN SPL OBLIG		04/10/2018.	STIFEL NICOLAUS & COMPANY INC.		249,223	250,000	254,125	251,366		(411)		(411)		250,953		(1,731)	(1,731)	1,546	12/01/2018.	1FE
79730P BU 8	SAN DIEGO CALIF REDEV AGY TAX ALLOC REV		04/09/2018.	PERSHING LLC		110,467	100,000	117,675	114,008		(1,403)		(1,403)		112,598		(2,131)	(2,131)	4,507	09/01/2037.	1FE
880541 MP 9	TENNESSEE ST		05/01/2018.	Call @ 100.00		240,000	240,000	295,200	243,183		(3,183)		(3,183)		240,000			0	6,000	05/01/2022.	1FE
880591 EQ 1	TENNESSEE VALLEY AUTHORITY		04/10/2018.	WELLS FARGO SECURITIES LLC		1,997,300	2,000,000	2,024,140	2,004,652		(1,619)		(1,619)		2,003,034		(5,734)	(5,734)	17,111	10/15/2018.	1
902562 AP 2	UAB MEDICINE FIN AUTH ALA REV		04/01/2018.	Adjustment									0					0	(4,583)	09/01/2030.	1FE
97712D VE 3	WISCONSIN ST HEALTH & EDL FACS AUTH REV		04/01/2018.	Call @ 99.142									0					0	(241)	11/15/2038.	1FE
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments.					6,019,721	6,013,568	6,119,844	3,613,209	0	(6,660)	0	(6,660)	0	6,035,244	0	(15,523)	(15,523)	35,340	XXX	XXX
Bonds - Industrial and Miscellaneous																					
00206R CC 4	AT&T INC.		04/10/2018.	PERSHING LLC		1,844,210	1,850,000	1,867,390	1,854,542		(1,043)		(1,043)		1,853,493		(9,284)	(9,284)	24,939	03/11/2019.	2FE

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
00287Y AX 7	ABBVIE INC.		04/11/2018.	MLPFS INC FIXED INCOME		534,243	550,000	538,093	539,777		493		493		540,275		(6,032)	(6,032)	6,488	05/14/2023.	2FE
008916 AK 4	AGRIUM INC.		05/01/2018.	CORPORATE ACTION		1,997,405	1,950,000	2,015,033	2,000,276		(2,871)		(2,871)		1,997,405			0	34,198	10/01/2022.	2FE
009158 AP 1	AIR PRODUCTS AND CHEMICALS INC.		04/10/2018.	PERSHING LLC		306,828	300,000	326,442	307,814		(1,289)		(1,289)		306,519		309	309	8,422	08/21/2019.	1FE
018490 AN 2	ALLERGAN INC.	C	05/01/2018.	MLPFS INC FIXED INCOME		1,077,440	1,075,000	1,106,820	1,089,009		(1,380)		(1,380)		1,087,620		(10,180)	(10,180)	20,862	09/15/2020.	2FE
031162 AX 8	AMGEN INC.		06/01/2018.	VARIOUS		501,224	500,000	613,045	508,908		(7,404)		(7,404)		501,504		(280)	(280)	13,240	06/01/2018.	2FE
037411 AP 0	APACHE CORPORATION		04/10/2018.	BARCLAYS CAPITAL INC.		526,960	500,000	630,455	539,191		(7,169)		(7,169)		531,988		(5,028)	(5,028)	29,759	07/01/2019.	2FE
037833 AJ 9	APPLE INC.		06/01/2018.	Maturity @ 100.00		1,000,000	1,000,000	951,600	996,364		3,636		3,636		1,000,000			0	5,000	05/03/2018.	1FE
037833 AQ 3	APPLE INC.		05/16/2018.	UBS FINANCIAL SERVICES INC.		997,590	1,000,000	1,002,290	1,000,658		(178)		(178)		1,000,484		(2,894)	(2,894)	11,142	05/06/2019.	1FE
09062X AE 3	BIOGEN INC.		04/10/2018.	GOLDMAN, SACHS & CO.		252,205	250,000	268,570	264,840		(828)		(828)		264,007		(11,802)	(11,802)	5,211	09/15/2022.	2FE
097023 AW 5	BOEING CO.		06/27/2018.	State Street		2,116,173	2,069,000	2,460,438	2,166,521		(39,457)		(39,457)		2,127,005		(10,832)	(10,832)	97,933	03/15/2019.	1FE
097023 BE 4	BOEING CO.		06/01/2018.	Maturity @ 100.00		4,510,000	4,510,000	4,394,556	4,500,633		9,367		9,367		4,510,000			0	21,423	05/15/2018.	1FE
110122 AV 0	BRISTOL-MYERS SQUIBB CO.		04/09/2018.	BARCLAYS CAPITAL INC.		5,280,346	5,315,000	5,263,324	5,301,756		3,098		3,098		5,304,855		(24,509)	(24,509)	56,841	03/01/2019.	1FE
13645R AH 7	CANADIAN PACIFIC RAILWAY CO.		06/01/2018.	Maturity @ 100.00		2,000,000	2,000,000	2,368,720	2,024,120		(24,120)		(24,120)		2,000,000			0	65,373	05/15/2018.	2FE
13645R AP 9	CANADIAN PACIFIC RAILWAY CO.		04/11/2018.	DBTC AMERICAS/PNC BANK, N.A.-S		988,314	950,000	1,022,400	1,019,779		(4,614)		(4,614)		1,015,143		(26,830)	(26,830)	31,825	01/15/2022.	2FE
141781 BB 9	CARGILL INC.		04/10/2018.	MLPFS INC FIXED INCOME		777,961	775,000	800,436	796,525		(1,449)		(1,449)		795,072		(17,112)	(17,112)	15,700	03/01/2022.	1FE
15189X AP 3	CENTERPOINT ENERGY HOUSTON ELECTRIC LLC		04/10/2018.	GOLDMAN, SACHS & CO.		4,835	5,000	4,969	4,979		2		2		4,980		(146)	(146)	34	06/01/2021.	1FE
166764 AE 0	CHEVRON CORP.		06/25/2018.	VARIOUS		2,223,406	2,225,000	2,234,968	2,225,829		(704)		(704)		2,225,125		(1,719)	(1,719)	15,228	06/24/2018.	1FE
17275R AE 2	CISCO SYSTEMS INC.		04/09/2018.	CITIGROUP GLOBAL MARKETS INC.		2,301,769	2,255,000	2,562,221	2,324,002		(16,628)		(16,628)		2,307,294		(5,525)	(5,525)	73,175	02/15/2019.	1FE
191216 BA 7	COCA-COLA CO.		05/01/2018.	Maturity @ 100.00		2,500,000	2,500,000	2,491,150	2,499,291		709		709		2,500,000			0	14,375	04/01/2018.	1FE
19416Q EB 2	COLGATE-PALMOLIVE CO.		06/01/2018.	Maturity @ 100.00		1,000,000	1,000,000	991,760	999,149		851		851		1,000,000			0	4,500	05/01/2018.	1FE
231021 AR 7	CUMMINS INC.		04/10/2018.	Amherst Securities Group LLC		254,013	250,000	262,538			(467)		(467)		262,068		(8,055)	(8,055)	4,841	10/01/2023.	1FE
244199 BC 8	DEERE & CO.		04/09/2018.	WELLS FARGO SECURITIES LLC		2,306,745	2,250,000	2,504,340	2,332,876		(12,451)		(12,451)		2,320,379		(13,634)	(13,634)	47,852	10/16/2019.	1FE
24702R AE 1	DELL INC.		05/01/2018.	Maturity @ 100.00		2,000,000	2,000,000	2,334,020	2,012,020	6,613	(18,633)		(12,020)		2,000,000			0	56,500	04/15/2018.	3FE
25468P DA 1	WALT DISNEY CO.		04/09/2018.	US BANCORP INVESTMENTS INC.		496,870	500,000	499,500	499,854		28		28		499,883		(3,013)	(3,013)	3,366	05/30/2019.	1FE
263534 BZ 1	E I DU PONT DE NEMOURS AND CO.		06/27/2018.	BB&T SECURITIES, LLC.		461,565	450,000	492,525	476,142		(6,228)		(6,228)		469,904		(8,339)	(8,339)	19,888	01/15/2020.	1FE
268648 AP 7	EMC CORP.		06/01/2018.	Maturity @ 100.00		3,880,000	3,880,000	3,879,081	3,861,570	18,383	47		18,430		3,880,000			0	36,375	06/01/2018.	3FE
291011 AY 0	EMERSON ELECTRIC CO.		06/27/2018.	US BANCORP INVESTMENTS INC.		513,150	500,000	567,260	524,203		(6,546)		(6,546)		517,637		(4,487)	(4,487)	17,198	10/15/2019.	1FE
30231G AD 4	EXXON MOBIL CORP.		04/09/2018.	CITIGROUP GLOBAL MARKETS INC.		5,082,202	5,110,000	5,143,573	5,118,422		(2,047)		(2,047)		5,116,369		(34,167)	(34,167)	53,189	03/15/2019.	1FE
303901 AG 7	FAIRFAX FINANCIAL HOLDINGS LIMITED		05/01/2018.	Maturity @ 100.00		3,225,000	3,225,000	3,499,125	3,262,885		(37,885)		(37,885)		3,225,000			0	118,922	04/15/2018.	2FE
343498 AA 9	FLOWERS FOODS INC.		04/10/2018.	DBTC AMERICAS/PNC BANK, N.A.-S		643,650	625,000	678,350	663,208		(2,499)		(2,499)		660,697		(17,047)	(17,047)	14,507	04/01/2022.	2FE
369550 AW 8	GENERAL DYNAMICS CORP.		04/10/2018.	Amherst Securities Group LLC		2,331,125	2,500,000	2,420,325	2,421,960		3,602		3,602		2,425,580		(94,455)	(94,455)	30,859	08/15/2023.	1FE
406216 BC 4	HALLIBURTON CO.		06/27/2018.	State Street		2,378,739	2,380,000	2,364,634	2,378,081		1,613		1,613		2,379,700		(962)	(962)	43,369	08/01/2018.	2FE
438516 BD 7	HONEYWELL INTERNATIONAL INC.		05/01/2018.	BB&T SECURITIES, LLC.		1,632,103	1,615,000	1,700,365	1,693,385		(3,419)		(3,419)		1,689,960		(57,857)	(57,857)	19,687	12/01/2023.	1FE
452308 AJ 8	ILLINOIS TOOL WORKS INC.		04/09/2018.	MLPFS INC FIXED INCOME		1,087,107	1,050,000	1,264,463	1,104,446		(11,794)		(11,794)		1,092,592		(5,485)	(5,485)	34,635	04/01/2019.	1FE

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
452308 AP 4	ILLINOIS TOOL WORKS INC		04/10/2018	MLPFS INC FIXED INCOME		505,945	500,000	529,545	519,451		(1,502)		(1,502)		517,941		(11,996)	(11,996)	9,703	09/15/2021	1FE
452308 AU 3	ILLINOIS TOOL WORKS INC		04/10/2018	BARCLAYS CAPITAL INC		1,492,605	1,500,000	1,495,385	1,498,770		289		289		1,499,061		(6,456)	(6,456)	17,956	03/01/2019	1FE
458140 AQ 3	INTEL CORP		04/09/2018	BNP SECURITIES		538,279	541,000	559,443	553,702		(1,327)		(1,327)		552,369		(14,090)	(14,090)	9,278	07/29/2020	1FE
478160 AU 8	JOHNSON & JOHNSON		04/09/2018	PERSHING LLC		1,007,360	1,000,000	1,207,660	1,021,985		(11,202)		(11,202)		1,010,727		(3,367)	(3,367)	38,053	07/15/2018	1FE
494368 BN 2	KIMBERLY CLARK CORP		04/09/2018	BONY/TORONTO DOMINION SECURITI		1,987,040	2,000,000	1,990,000	1,997,092		571		571		1,997,667		(10,627)	(10,627)	14,672	05/22/2019	1FE
532457 BF 4	ELI LILLY AND CO		04/09/2018	MLPFS INC FIXED INCOME		2,736,278	2,750,000	2,744,298	2,748,541		330		330		2,748,872		(12,595)	(12,595)	30,685	03/15/2019	1FE
539830 AT 6	LOCKHEED MARTIN CORP		05/01/2018	MLPFS INC FIXED INCOME		680,900	665,000	726,984	685,820		(3,003)		(3,003)		682,806		(1,906)	(1,906)	11,462	11/15/2019	2FE
539830 AY 5	LOCKHEED MARTIN CORP		04/10/2018	MLPFS INC FIXED INCOME		2,273,873	2,250,000	2,405,273	2,366,396		(8,407)		(8,407)		2,357,946		(84,074)	(84,074)	43,341	09/15/2021	2FE
58013M EL 4	MCDONALDS CORP		06/28/2018	HILLTOP SECURITIES INC		2,479,278	2,450,000	2,564,489	2,543,247		(13,206)		(13,206)		2,529,939		(50,661)	(50,661)	54,768	05/20/2021	2FE
585055 AN 6	MEDTRONIC INC	C	04/27/2018	VARIOUS		4,108,100	4,000,000	4,608,440	4,148,216		(36,195)		(36,195)		4,112,021		(55,361)	(55,361)	184,595	03/15/2019	1FE
58933Y AG 0	MERCK & CO INC		06/01/2018	Maturity @ 100.00		3,000,000	3,000,000	2,900,130	2,991,559		8,441		8,441		3,000,000			0	19,500	05/18/2018	1FE
61166W AT 8	MONSANTO CO		04/10/2018	CREDIT SUISSE SECURITIES		496,612	505,000	507,232	506,522		(114)		(114)		506,408		(9,796)	(9,796)	10,300	07/15/2021	2FE
61945C AC 7	MOSAIC CO		05/01/2018	BARCLAYS CAPITAL INC		1,906,481	1,875,000	1,901,216	1,897,263		(981)		(981)		1,896,286		10,195	10,195	32,539	11/15/2023	2FE
666807 BA 9	NORTHROP GRUMMAN CORP		04/10/2018	State Street		875,398	850,000	951,830	880,684		(5,261)		(5,261)		875,399		(1)	(1)	29,928	08/01/2019	2FE
68389X AQ 8	ORACLE CORP		04/09/2018	MERRILL LYNCH PIERCE FENNER SMITH INC		2,458,893	2,460,000	2,493,800	2,467,335		(1,927)		(1,927)		2,465,402		(6,509)	(6,509)	43,170	01/15/2019	1FE
73755L AH 0	POTASH CORP OF SASKATCHEWAN INC		05/01/2018	CORPORATE ACTION		2,979,605	2,850,000	3,209,408	2,997,033		(17,428)		(17,428)		2,979,605			0	76,178	03/30/2020	2FE
74005P BB 9	PRAXAIR INC		04/09/2018	MLPFS INC FIXED INCOME		710,864	738,000	730,399	730,519		426		426		730,947		(20,083)	(20,083)	10,644	08/15/2022	1FE
74005P BF 0	PRAXAIR INC		05/01/2018	SG AMERICAS SECURITIES, LLC		1,329,958	1,360,000	1,357,971	851,173		(168)		(168)		1,357,768		(27,810)	(27,810)	16,610	02/21/2023	1FE
74005P BH 6	PRAXAIR INC		04/09/2018	Amherst Securities Group LLC		462,810	465,000	456,258	463,246		566		566		463,815		(1,006)	(1,006)	2,486	11/07/2018	1FE
74005P BQ 6	PRAXAIR INC		04/10/2018	BB&T SECURITIES, LLC		490,960	500,000	513,950	513,621		(429)		(429)		513,191		(22,231)	(22,231)	11,200	01/30/2026	1FE
742718 EE 5	PROCTER & GAMBLE CO		04/09/2018	BARCLAYS CAPITAL INC		2,986,740	3,000,000	2,995,470	2,998,967		326		326		2,999,297		(12,557)	(12,557)	19,467	11/15/2018	1FE
755111 BT 7	RAYTHEON CO		04/09/2018	BB&T SECURITIES, LLC		3,022,680	3,000,000	3,093,810	3,043,255		(4,104)		(4,104)		3,039,142		(16,462)	(16,462)	45,833	10/15/2020	1FE
833034 AH 4	SNAP-ON INC		04/10/2018	BB&T SECURITIES, LLC		1,264,805	1,150,000	1,336,760	1,295,787		(10,495)		(10,495)		1,285,215		(20,410)	(20,410)	43,241	09/01/2021	1FE
863667 AD 3	STRYKER CORP		05/01/2018	Maturity @ 100.00		800,000	800,000	799,520	799,951		49		49		800,000			0	5,200	04/01/2018	1FE
882508 AU 8	TEXAS INSTRUMENTS INC		05/01/2018	BARCLAYS CAPITAL INC		2,024,811	2,047,000	2,011,757	2,035,844		1,924		1,924		2,037,768		(12,957)	(12,957)	23,361	08/03/2019	1FE
88579Y AG 6	3M CO		04/09/2018	US BANCORP INVESTMENTS INC.		1,228,022	1,240,000	1,223,186	1,234,957		940		940		1,235,902		(7,881)	(7,881)	6,493	06/15/2019	1FE
893526 DK 6	TRANSCANADA PIPELINES LTD		04/10/2018	DBTC AMERICAS/PNC BANK, N.A.-S		382,076	375,000	400,560	387,116		(1,177)		(1,177)		385,934		(3,858)	(3,858)	7,560	10/01/2020	1FE
911312 AK 2	UNITED PARCEL SERVICE INC		04/09/2018	CREDIT SUISSE SECURITIES (USA)		2,516,361	2,453,000	2,813,346	2,542,578		(19,481)		(19,481)		2,523,089		(6,728)	(6,728)	66,350	04/01/2019	1FE
91913Y AN 0	VALERO ENERGY CORP		06/18/2018	VARIOUS		4,545,089	4,310,000	5,567,536	4,662,131		(106,148)		(106,148)		4,555,983		(117,136)	(117,136)	375,055	03/15/2019	2FE
91913Y AR 1	VALERO ENERGY CORP		04/10/2018	WELLS FARGO SECURITIES LLC		309,879	294,000	313,110	304,527		(1,344)		(1,344)		303,178		6,701	6,701	12,555	02/01/2020	2FE
931142 DJ 9	WAL MART STORES INC		04/09/2018	U.S. Bank		1,511,228	1,515,000	1,516,742	1,515,357		(101)		(101)		1,515,256		(4,028)	(4,028)	9,519	12/15/2018	1FE
983919 AG 6	XILINX INC		04/10/2018	BARCLAYS CAPITAL INC FIXED INC		1,705,636	1,714,000	1,712,046	1,713,492		116		116		1,713,608		(7,972)	(7,972)	20,943	03/15/2019	1FE
3899999.	Total - Bonds - Industrial and Miscellaneous					113,851,736	113,071,000	119,162,327	114,229,151	24,995	(417,679)	0	(392,683)	0	114,605,080	0	(911,025)	(911,025)	2,359,500	XXX	XXX
8399997.	Total - Bonds - Part 4					170,244,216	171,490,875	177,510,691	169,973,842	19,514	(422,844)	0	(403,330)	0	172,767,877	0	(2,681,342)	(2,681,342)	2,887,849	XXX	XXX
8399999.	Total - Bonds					170,244,216	171,490,875	177,510,691	169,973,842	19,514	(422,844)	0	(403,330)	0	172,767,877	0	(2,681,342)	(2,681,342)	2,887,849	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
303901 10 2	FAIRFAX FINANCIAL HOLDINGS ORD....	..	04/26/2018.	Cantor Fitzgerald...........................	..........6,000.000	3,252,871	XXX	2,378,231	3,182,040	.....(803,809)	....	....	.........(803,809)	....	2,378,231	....	874,640	874,640	55,305	XXX	U...............
527288 10 4	LEUCADIA NATIONAL ORD......................	..	04/25/2018.	MERRILL LYNCH,PIERCE,FENNER & SMITH	........52,000.000	1,277,092	XXX	729,164	1,377,480	.....(648,316)	....	....	.........(648,316)	....	729,164	....	547,928	547,928	5,200	XXX	L...............
718546 10 4	PHILLIPS 66 ORD....................................	..	04/26/2018.	UBS FINANCIAL SERVICES INC...	........15,000.000	1,659,377	XXX	344,359	1,517,250	..(1,172,891)	....	....	......(1,172,891)	....	344,359	....	..1,315,018	1,315,018	23,333	XXX	L...............
9099999.	Total - Common Stocks - Industrial and Miscellaneous...............					6,189,340	XXX	3,451,754	6,076,770	..(2,625,016)	0	0	......(2,625,016)	0	3,451,754	0	..2,737,587	2,737,587	83,839	XXX	XXX
9799997.	Total - Common Stocks - Part 4..					6,189,340	XXX	3,451,754	6,076,770	..(2,625,016)	0	0	......(2,625,016)	0	3,451,754	0	..2,737,587	2,737,587	83,839	XXX	XXX
9799999.	Total - Common Stocks...					6,189,340	XXX	3,451,754	6,076,770	..(2,625,016)	0	0	......(2,625,016)	0	3,451,754	0	..2,737,587	2,737,587	83,839	XXX	XXX
9899999.	Total - Preferred and Common Stocks...					6,189,340	XXX	3,451,754	6,076,770	..(2,625,016)	0	0	......(2,625,016)	0	3,451,754	0	..2,737,587	2,737,587	83,839	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks............................					176,433,556	XXX	180,962,444	176,050,612	..(2,605,502)	......(422,844)	0	......(3,028,346)	0	176,219,630	0	56,244	56,244	..2,971,688	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 1.

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

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

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

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

Sch. DL - Pt. 1
NONE

Sch. DL - Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
Bank of America	Little Rock, AR								XXX
BAAA Claims						(531,071)	5,597,179	3,383,803	XXX
BAAA Operating						6,028,057	5,500,229	9,743,044	XXX
BAAA Refunds						403,623	368,392	425,021	XXX
Exchange Claims						(1,971,753)	(1,984,526)	(1,724,731)	XXX
FEP Basic Option EFT						-	-	-	XXX
FEP Standard Option EFT						-	-	-	XXX
GCPS Assigned EFT						-	-	-	XXX
General Acct						4,907,082	6,245,546	18,761,048	XXX
LTC CHCS						185,199	172,793	167,740	XXX
Med Adv ACH Prems						250,877	2,720	220,754	XXX
Med Adv Lockbox						-	(52)	(10,857)	XXX
Payroll Acct						30,474	30,474	22,112	XXX
PDP ACH Premiums						17,807	17,807	17,807	XXX
PDP Lockbox						-	18	1,226,479	XXX
USAM Claims						3,211,788	3,499,361	3,778,711	XXX
Walmart Claims						15,854,769	9,678,106	15,101,460	XXX
BC Regular Business Claims						(213,596)	(248,735)	(264,582)	XXX
Med Adv EFT						-	34	(34)	XXX
Medipak Assigned EFT						-	-	5,862	XXX
Premium Rebate Fund						-	-	-	XXX
Bank of America	Vadalia, MO								XXX
Accounts Payable						(2,037,220)	(1,159,672)	(1,583,215)	XXX
GCPS Assigned						(65,873)	(34,491)	(40,832)	XXX
GCPS Unassigned						(289,710)	(262,623)	(265,030)	XXX
Simmons First National Bank	Pine Bluff, AR								XXX
ABCBS MMA DDA				24,617		7,052,367	7,060,752	7,069,148	XXX
Accts Payable EFT						(905)	(900)	(69)	XXX
BlueCard Claims						(133,368)	(182,881)	(142,037)	XXX
FEP Basic Option						(97,493)	(86,704)	(84,311)	XXX
FEP Investment						73,095	110,269	110,185	XXX
FEP Standard Option						(185,421)	(150,804)	(169,052)	XXX
Med Adv Claims						-	-	-	XXX
Medipak Assigned						(197,776)	(142,989)	(165,970)	XXX
Medipak Unassigned						(458,165)	(776,601)	(503,242)	XXX
Parent Acct						2,974,554	5,746,577	5,668,459	XXX
US Bank	St. Louis, MO								XXX
Membrs Lockbox						10,532,051	3,136,127	8,179,669	XXX
Uninvested Cash						1,423	1,875	3,234	XXX
BanCorp	Little Rock, AR								XXX
AR Works Rewards Collateral						25,000	25,000	25,000	XXX
0199998. Deposits in.....58 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories		XXX	XXX	1,627		2,380,000	2,380,000	2,330,000	XXX
0199999. Total Open Depositories		XXX	XXX	26,244	0	47,745,814	44,542,282	71,285,575	XXX
0399999. Total Cash on Deposit		XXX	XXX	26,244	0	47,745,814	44,542,282	71,285,575	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	XXX	6,772	6,772	6,772	XXX
0599999. Total Cash		XXX	XXX	26,244	0	47,752,586	44,549,054	71,292,347	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
Bonds - U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivision - Issuer Obligations								
	FEDERAL HOME LOAN BANKS		06/29/2018		09/10/2018	4,981,362		524
2599999. U.S. Special Revenue & Special Assessment Obligations - Issuer Obligations						4,981,362	0	524
3199999. Total - U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations						4,981,362	0	524
Total Bonds								
7799999. Subtotals - Issuer Obligations						4,981,362	0	524
8399999. Subtotals - Bonds						4,981,362	0	524
Exempt Money Market Mutual Funds as Identified by the SVO								
316175 60 3	FIDELITY IMM:GOVT;III		02/08/2018	1.550		106,500	128	580
60934N 50 0	FEDERATED TREAS OBL;INST		06/29/2018	1.820		52,216,462	104,177	6,856
8599999. Total - Exempt Money Market Mutual Funds as Identified by the SVO						52,322,962	104,306	7,436
8899999. Total - Cash Equivalents						57,304,324	104,306	7,960

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

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	19,206,879	XXX	1,245,963	XXX	20,452,842
2. Earned premiums	14,686,849	XXX	1,162,352	XXX	XXX
3. Claims paid	15,908,809	XXX	1,347,700	XXX	17,256,509
4. Claims incurred	16,294,491	XXX	1,350,988	XXX	XXX
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a)	XXX	3,781,023	XXX	9,783	3,790,806
6. Aggregate policy reserves - change		XXX		XXX	XXX
7. Expenses paid	4,686,112	XXX	215,735	XXX	4,901,847
8. Expenses incurred	4,650,172	XXX	210,694	XXX	XXX
9. Underwriting gain or loss	(6,257,814)	XXX	(399,330)	XXX	XXX
10. Cash flow results	XXX	XXX	XXX	XXX	(5,496,320)

(a) Uninsured Receivable/Payable with CMS at End of Quarter $.....8,909,028 due from CMS or $.....12,699,834 due to CMS.