

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,003,102		1,003,102	1,006,458
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$..... encumbrances)				
4.2 Properties held for the production of income (less \$..... encumbrances)				
4.3 Properties held for sale (less \$..... encumbrances)				
5. Cash (\$.....4,459,993 Schedule E Part 1), cash equivalents (\$..... Schedule E Part 2) and short-term investments (\$.....34,408,091 Schedule DA)	38,868,084		38,868,084	33,096,538
6. Contract loans (including \$..... premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	39,871,186		39,871,186	34,102,996
11. Title plants less \$..... charged off (for Title insurers only)				
12. Investment income due and accrued	173,833		173,833	98,071
13. Premiums and considerations				
13.1 Uncollected premiums and agents' balances in the course of collection				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$..... earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	777,513		777,513	218,838
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon	454,000		454,000	209,673
16.2 Net deferred tax asset	447,000	447,000		
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	67,790	67,790		76,337
19. Furniture and equipment, including health care delivery assets (\$.....)	61,017	49,641	11,377	41,180
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				14,487
22. Health care (\$.....242,778) and other amounts receivable	242,778		242,778	481,069
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	42,095,116	564,430	41,530,686	35,242,651
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	42,095,116	564,430	41,530,686	35,242,651
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. Leasehold Improvements				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$..... reinsurance ceded)	13,316,920		13,316,920	15,006,444
2. Accrued medical incentive pool and bonus amounts	1,558,029		1,558,029	1,272,668
3. Unpaid claims adjustment expenses	703,242		703,242	702,652
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	447,559		447,559	311,219
10.1 Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittance and items not allocated				
14. Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15. Amounts due to parent, subsidiaries and affiliates	72,147		72,147	
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured accident and health plans				
21. Aggregate write-ins for other liabilities (including \$.....1,852,604 current)	1,852,604		1,852,604	
22. Total liabilities (Lines 1 to 21)	17,950,501		17,950,501	17,292,982
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X	220,000	220,000
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	23,360,185	17,729,669
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$.....)	X X X	X X X		
30.2 shares preferred (value included in Line 25 \$.....)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	23,580,185	17,949,669
32. Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	41,530,686	35,242,651
DETAILS OF WRITE-INS				
2101. MDCH QA Assessment Fee	1,852,604		1,852,604	
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	1,852,604		1,852,604	
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	671,912	628,478
2. Net premium income (including \$..... non-health premium income)	X X X	124,927,354	111,547,130
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$..... medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X	(7,150,135)	(5,935,463)
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	117,777,219	105,611,667
Hospital and Medical:			
9. Hospital/medical benefits		62,411,095	56,227,905
10. Other professional services		8,306,633	5,428,411
11. Outside referrals		1,679,780	1,321,195
12. Emergency room and out-of-area		9,377,935	7,188,797
13. Prescription drugs		18,178,662	16,106,651
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts		2,253,148	2,101,020
16. Subtotal (Lines 9 to 15)		102,207,253	88,373,979
Less:			
17. Net reinsurance recoveries		795,094	359,054
18. Total hospital and medical (Lines 16 minus 17)		101,412,159	88,014,925
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$..... cost containment expenses		2,438,338	2,465,774
21. General administrative expenses		8,026,450	8,151,436
22. Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)		111,876,947	98,632,134
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	5,900,272	6,979,533
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,242,035	451,215
26. Net realized capital gains (losses) less capital gains tax of \$.....			
27. Net investment gains (losses) (Lines 25 plus 26)		1,242,035	451,215
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29. Aggregate write-ins for other income or expenses		1,498,459	
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	8,640,767	7,430,748
31. Federal and foreign income taxes incurred	X X X	2,936,673	2,540,000
32. Net income (loss) (Lines 30 minus 31)	X X X	5,704,094	4,890,748
DETAILS OF WRITE-INS			
0601. Revenue - Other	X X X	169,591	61,283
0602. MDCH QA Assessment Fee	X X X	(7,406,756)	(6,376,409)
0603. Child & Adolescent Health Center Fee	X X X	(671,430)	(162,791)
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X	758,461	542,453
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	(7,150,135)	(5,935,463)
0701	X X X		
0702	X X X		
0703	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401. Unpaid Claims Adjustment Expense			
1402			
1403			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. Extraordinary Item - Claim Settlement		1,498,459	
2902			
2903			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		1,498,459	

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	17,949,669	14,164,412
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	5,704,094	4,890,748
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....		
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	(85,585)	69,510
40. Change in unauthorized 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	12,007	
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		(1,175,000)
47. Aggregate write-ins for gains or (losses) in surplus		
48. Net change in capital and surplus (Lines 34 to 47)	5,630,516	3,785,258
49. Capital and surplus end of reporting year (Line 33 plus 48)	23,580,185	17,949,670
DETAILS OF WRITE-INS		
4701		
4702		
4703		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	124,927,354	111,547,130
2. Net investment income	1,296,492	199,160
3. Miscellaneous income	(7,150,135)	(5,935,463)
4. Total (Lines 1 through 3)	119,073,712	105,810,826
5. Benefit and loss related payments	103,374,997	90,919,504
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	8,875,362	10,083,185
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$..... net of tax on capital gains (losses)	3,200,000	2,150,000
10. Total (Lines 5 through 9)	115,450,359	103,152,689
11. Net cash from operations (Line 4 minus 10)	3,623,353	2,658,138
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,010,000	1,000,000
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		7,105
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,010,000	1,007,105
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,000,522	1,005,749
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,000,522	1,005,749
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	9,478	1,355
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		1,175,000
16.6 Other cash provided (applied)	2,138,715	(1,036,900)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	2,138,715	(2,211,900)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	5,771,546	447,593
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	33,096,538	32,648,946
19.2 End of year (Line 18 plus Line 19.1)	38,868,084	33,096,538

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

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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other Health	Other Non-Health
1. Net premium income	124,927,354							124,927,354					
2. Change in unearned premium reserves and reserve for rate credit													
3. Fee-for-service (net of \$..... medical expenses)													X X X
4. Risk revenue													X X X
5. Aggregate write-ins for other health care related revenues	(7,150,135)							(7,150,135)					X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. Total revenues (Lines 1 to 6)	117,777,219							117,777,219					
8. Hospital/medical benefits	62,411,095							62,411,095					X X X
9. Other professional services	8,306,633							8,306,633					X X X
10. Outside referrals	1,679,780							1,679,780					X X X
11. Emergency room and out-of-area	9,377,935							9,377,935					X X X
12. Prescription drugs	18,178,662							18,178,662					X X X
13. Aggregate write-ins for other hospital and medical													X X X
14. Incentive pool, withhold adjustments and bonus amounts	2,253,148							2,253,148					X X X
15. Subtotal (Lines 8 to 14)	102,207,253							102,207,253					X X X
16. Net reinsurance recoveries	795,094							795,094					X X X
17. Total hospital and medical (Lines 15 minus 16)	101,412,159							101,412,159					X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$..... cost containment expenses	2,438,338							2,438,338					
20. General administrative expenses	8,026,450							8,026,450					
21. Increase in reserves for accident and health contracts													X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. Total underwriting deductions (Lines 17 to 22)	111,876,947							111,876,947					
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	5,900,272							5,900,272					
DETAILS OF WRITE-INS													
0501. Revenue - Other	169,591							169,591					X X X
0502. MDCH QA Assessment Fee	(7,406,756)							(7,406,756)					X X X
0503. Child & Adolescent Health Center Fee	(671,430)							(671,430)					X X X
0598. Summary of remaining write-ins for Line 5 from overflow page	758,461							758,461					X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	(7,150,135)							(7,150,135)					X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301. Unpaid Claims Adjustment Expense													X X X
1302.													X X X
1303.													X X X
1398. Summary of remaining write-ins for Line 13 from overflow page													X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)													X X X

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical)				
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employee Health Benefits Plan				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid	125,440,236		512,881	124,927,354
8. Stop loss				
9. Disability income				
10. Long-term care				
11. Other health				
12. Health subtotal (Lines 1 through 11)	125,440,236		512,881	124,927,354
13. Life				
14. Property/casualty				
15. TOTALS (Lines 12 to 14)	125,440,236		512,881	124,927,354

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:													
1.1 Direct	101,818,285							101,818,285					
1.2 Reinsurance assumed													
1.3 Reinsurance ceded													
1.4 Net	101,818,285							101,818,285					
2. Paid medical incentive pools and bonuses	1,967,787							1,967,787					
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	13,316,920							13,316,920					
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net	13,316,920							13,316,920					
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct													
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net													
5. Accrued medical incentive pools and bonuses, current year	1,558,029							1,558,029					
6. Net healthcare receivables (a)	(174,656)							(174,656)					
7. Amounts recoverable from reinsurers December 31, current year	777,513							777,513					
8. Claim liability December 31, prior year from Part 2A:													
8.1 Direct	15,006,444							15,006,444					
8.2 Reinsurance assumed													
8.3 Reinsurance ceded													
8.4 Net	15,006,444							15,006,444					
9. Claim reserve December 31, prior year from Part 2D:													
9.1 Direct													
9.2 Reinsurance assumed													
9.3 Reinsurance ceded													
9.4 Net													
10. Accrued medical incentive pools and bonuses, prior year	1,272,668							1,272,668					
11. Amounts recoverable from reinsurers December 31, prior year	218,837							218,837					
12. Incurred benefits:													
12.1 Direct	99,954,105							99,954,105					
12.2 Reinsurance assumed													
12.3 Reinsurance ceded	558,676							558,676					
12.4 Net	99,395,430							99,395,430					
13. Incurred medical incentive pools and bonuses	2,253,148							2,253,148					

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:													
1.1 Direct													
1.2 Reinsurance assumed													
1.3 Reinsurance ceded													
1.4 Net													
2. Incurred but Unreported:													
2.1 Direct	13,316,920							13,316,920					
2.2 Reinsurance assumed													
2.3 Reinsurance ceded													
2.4 Net	13,316,920							13,316,920					
3. Amounts Withheld from Paid Claims and Capitations:													
3.1 Direct													
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net													
4. TOTALS													
4.1 Direct	13,316,920							13,316,920					
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net	13,316,920							13,316,920					

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)						
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	9,763,277	91,370,476	998,131	12,561,567	10,761,408	15,709,096
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	9,763,277	91,370,476	998,131	12,561,567	10,761,408	15,709,096
10.	Healthcare receivables (a)				242,778		417,434
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	966,829	1,000,958		1,558,029	966,829	1,272,668
13.	TOTALS (Lines 9 - 10 + 11 + 12)	10,730,106	92,371,434	998,131	13,876,818	11,728,237	16,564,330

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

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	6,586	126			
2.	2001	45,055	8,770	223	5	
3.	2002	X X X	53,465	10,663	33	20
4.	2003	X X X	X X X	58,462	10,646	79
5.	2004	X X X	X X X	X X X	77,687	10,631
6.	2005	X X X	X X X	X X X	X X X	92,371

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	7,600	126			
2.	2001	57,192	12,027	258	5	
3.	2002	X X X	64,934	12,105	33	20
4.	2003	X X X	X X X	78,936	12,067	79
5.	2004	X X X	X X X	X X X	91,975	11,629
6.	2005	X X X	X X X	X X X	X X X	106,248

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2001										
2. 2002		20			20				20	
3. 2003		79			79				79	
4. 2004	111,547	10,631			10,631	9.531	998		11,629	10.426
5. 2005	124,927	92,371			92,371	73.940	13,877	703	106,951	85.611

12 Total

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

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

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior	6,586	126			
2. 2001	45,055	8,770	223	5	
3. 2002	X X X	53,465	10,663	33	20
4. 2003	X X X	X X X	58,462	10,646	79
5. 2004	X X X	X X X	X X X	77,687	10,631
6. 2005	X X X	X X X	X X X	X X X	92,371

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior	7,600	126			
2. 2001	57,192	12,027	258	5	
3. 2002	X X X	64,934	12,105	33	20
4. 2003	X X X	X X X	78,936	12,067	79
5. 2004	X X X	X X X	X X X	91,975	11,629
6. 2005	X X X	X X X	X X X	X X X	106,248

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2001										
2. 2002		20			20				20	
3. 2003		79			79				79	
4. 2004	111,547	10,631			10,631	9.531	998		11,629	10.426
5. 2005	124,927	92,371			92,371	73.940	13,877	703	106,951	85.611

12 Title XIX-Medicaid

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

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

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

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$..... for occupancy of own building)		150,000	560,503		710,503
2. Salaries, wages and other benefits		1,675,000	3,473,876		5,148,876
3. Commissions (less \$..... ceded plus \$..... assumed)					
4. Legal fees and expenses			241,338		241,338
5. Certifications and accreditation fees			126,489		126,489
6. Auditing, actuarial and other consulting services		10,000	1,074,387		1,084,387
7. Traveling expenses			163,996		163,996
8. Marketing and advertising			326,717		326,717
9. Postage, express and telephone		140,000	188,835		328,835
10. Printing and office supplies		25,000	348,819		373,819
11. Occupancy, depreciation and amortization			45,337		45,337
12. Equipment			1,311		1,311
13. Cost or depreciation of EDP equipment and software		300,000	771,265		1,071,265
14. Outsourced services including EDP, claims, and other services			63,504		63,504
15. Boards, bureaus and association fees					
16. Insurance, except on real estate			104,251		104,251
17. Collection and bank service charges					
18. Group service and administration fees					
19. Reimbursements by uninsured accident and health plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses		10,000	214,566		224,566
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			185,000		185,000
23.2 State premium taxes					
23.3 Regulator authority licenses and fees			14,803		14,803
23.4 Payroll taxes		128,338	121,018		249,356
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses					
26. Total expenses incurred (Lines 1 to 25)		2,438,338	8,026,014		(a) 10,464,352
27. Less expenses unpaid December 31, current year			447,559		447,559
28. Add expenses unpaid December 31, prior year			311,219		311,219
29. Amounts receivable relating to uninsured accident and health plans, prior year					
30. Amounts receivable relating to uninsured accident and health plans, current year					
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)		2,438,338	7,889,674		10,328,012
DETAILS OF WRITE-INS					
2501. Miscellaneous					
2502. 0					
2503. 0					
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. Totals (Lines 2501 through 2503 + 2598)(Line 25 above)					

(a) Includes management fees of \$..... to affiliates and \$..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 29,113	24,446
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 1,143,326	1,217,589
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	1,172,439	1,242,035
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		
17. Net Investment income (Line 10 minus Line 16)		1,242,035

DETAILS OF WRITE-INS

0901		
0902		
0903		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501		
1502		
1503		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		

- (a) Includes \$ 6,122 accrual of discount less \$ amortization of premium and less \$ 12,286 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds				
1.1 Bonds exempt from U.S. tax				
1.2 Other bonds (unaffiliated)				
1.3 Bonds of affiliates				
2.1 Preferred stocks (unaffiliated)				
2.11 Preferred stocks of affiliates				
2.2 Common stocks (unaffiliated)				
2.21 Common stocks of affiliates				
3. Mortgage loans				
4. Real estate				
5. Contract loans				
6. Cash, cash equivalents and short-term investments				
7. Derivative instruments				
8. Other invested assets				
9. Aggregate write-ins for capital gains (losses)				
10. Total capital gains (losses)				

NONE

DETAILS OF WRITE-INS

0901				
0902				
0903				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)				

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties occupied for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants (for Title insurers only)			
12. Invested income due and accrued			
13. Premium and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection			
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	447,000	428,000	(19,000)
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software	67,790		(67,790)
19. Furniture and equipment, including health care delivery assets	49,641	50,846	1,205
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivable from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets			
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	564,430	478,846	(85,585)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	564,430	478,846	(85,585)
DETAILS OF WRITE-INS			
0901			
0902			
0903			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301			
2302			
2303			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	55,065	56,210	56,106	55,532	55,700	671,912
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	55,065	56,210	56,106	55,532	55,700	671,912
DETAILS OF WRITE-INS						
0601						
0602						
0603						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

1. Summary of Significant Accounting Policies

a. Basis of Presentation

The financial statements have been prepared on the basis of accounting practices generally prescribed or permitted by the State of Michigan Division of Insurance (statutory basis). Financial statements prepared on the statutory basis vary in some respects from those prepared in accordance with accounting principles generally accepted in the United States of America.

b. Generally Accepted Accounting Principles

The significant accounting principles, as outlined above, were followed in the preparation of the statutory basis financial statements. Had the financial statements been prepared in accordance with the accounting principles generally accepted in the United States of America, the following differences would have been noted:

- Furnitures and fixtures and the full amount of leasehold improvements would be capitalized at cost and depreciated over the estimated useful lives of the assets.
- Deferred income taxes would be provided for temporary differences between taxes currently payable and taxes based upon financial income.

c. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of (1) assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and (2) revenues and expenses during the reporting period. A significant item subject to such estimates includes the accrual for hospitalization and other external providers. Actual results could differ from those estimates.

d. Cash Equivalents

Cash Equivalents have been accounted for in accordance with SSAP No. 2. All highly liquid investments with original maturities of three months or less are classified as cash equivalents.

e. Improvements, Equipment and Depreciation

Improvements and equipment are stated at cost. Depreciation is computed over the estimated useful lives of the assets using both the straight-line and accelerated methods.

f. Revenue Recognition

The Plan operates under two capitated contracts with the Michigan Department of Community Health (MDCH). For the years ended December 31, 2005 and 2004, these contracts provided the majority of the Plan's operating revenues. Revenue is recognized during the month in which coverage for enrolled members is in effect.

The MDCH performs a close-out reconciliation for each calendar year, which can result in additional payments to or from the Plan. Amounts receivable or payable as a result of the MDCH reconciliation process are recorded in the year known or estimatable.

g. Risk Sharing Pool

The Plan's contracts with providers require specified withholdings from capitation payments to create a pool for risk sharing based on membership. The pool is used to cover expenses incurred excluding inpatient in the event of over-utilization of medical services. Amounts withheld by the Plan for all Primary Care Providers with 100 to 499 Members will be held in a single Referral Services Fund. The Plan will pay 75% of any estimated surplus to the Providers, up to a maximum of two months capitation, and any remaining amount will be paid to the Plan. Any estimated deficit will be allocated 25%, up to a maximum of one month's capitation, to the Providers and any remaining deficit to the Plan. Amounts withheld by the Plan for each Provider with 500 or more Members will be held in a separate Referral Services Fund. Six months after the end of each calendar year, an accounting of actual and accrued expenses properly chargeable to the Referral Services Fund will be done by the Plan to determine the amount of any surplus or deficit in the Provider's Referral Services Fund. Any surplus will be paid 75% to the Provider and 25% to the Plan and any deficit will be allocated 25% to the Provider and 75% to the Plan.

h. Hospitalization and Other External Providers

The Plan accrues the cost of hospitalization and other external provider expenses in the period in which they are provided based in part on estimates, including an estimate for claims incurred but not reported to the Plan (IBNR).

2. Accounting Change and Correction of Errors

None.

3. Business Combination and Goodwill

On March 9, 2005, Midwest – HC, Inc., the parent corporation of Midwest Health Plan, Inc agreed to merge together. Midwest Health Plan, Inc then transferred approximately 87% of its common stock to a limited liability company that is owned and controlled by transferring shareholders. Each stockholder has an indirect ownership, via the limited liability company, in Midwest Health Plan, Inc in the same percentage.

4. Discontinued Operations

None.

Notes to Financial Statement

5. Investments

a. *Restricted Deposits*

Restricted deposits represent a minimum deposit in trust to comply with requirements of the State of Michigan Division of Insurance.

b. *Short-term Investments*

Short-term investments consist primarily of interest bearing governmental and corporate debt securities with original maturities greater than three months and less than one year. The Plan has determined that its short-term investments will be held to maturity and are therefore carried at amortized cost in the accompanying financial statements.

c. *Long-term Investments*

Long-term investments consist primarily of interest bearing governmental debt securities with original maturities greater than one year. The Plan has determined that its long-term investments will be held to maturity and are therefore carried at amortized cost in the accompanying financial statements.

d. *Concentrations of Credit Risk*

Financial instruments which potentially subject the Plan to significant concentrations of credit risk consist principally of cash and cash equivalents. The Plan places its cash and cash equivalents with high credit quality financial institutions. At times, such cash and cash equivalents may be in excess of the respective financial institution's FDIC insurance limit. The Plan performs periodic evaluations of the relative credit standing of these institutions.

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

During the fiscal year 2005 interest income:

Cash, Cash Equivalents and Short-Term Investments	\$1,217,589
Long-term bonds	<u>24,446</u>
Totals	\$1,242,035

8. Derivative Instruments

None.

9. Taxes On Income

Income taxes are calculated using the liability method specified by Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."

The provision for taxes on income consisted of the following:

<i>Year Ended December 31,</i>	2005	2004
Current	\$2,917,673	\$2,449,000
Deferred	19,000	91,000
Taxes On Income	\$2,936,673	\$2,540,000

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets of \$447,000 and \$428,000 as of December 31, 2005 and 2004, respectively, relate primarily to the accrual of hospitalization and other provider costs, and are reflected as non-admitted assets in the accompanying financial statements.

a. *Supplemental Disclosures of Cash Flow Information*

Cash paid during the year for:

<i>Year Ended December 31,</i>	2005	2004
Income taxes	\$3,200,000	\$2,150,000

10. Information Concerning Parent, Subsidiaries and Affiliates

Notes to Financial Statement

The Plan has an agreement with Midwest Health Center, P.C. (Center), an entity related through common ownership, whereby the Center provides facilities and staffing services utilized by the Plan. For the years ended December 31, 2005 and 2004, these shared service fees amounted to \$840,000 and \$840,000, respectively. In addition, the Plan paid approximately \$672,000 and \$628,000 during 2005 and 2004, respectively, for information systems services to this related party.

Under a primary site/plan agreement with the Center and other companies under common control, the Plan is responsible for making payments for provider services based on enrolled members. For the years ended December 31, 2005 and 2004 total payments for provider services to the four affiliates was \$4,226,000 and \$4,247,000, respectively.

Amounts due to affiliates at December 31, 2005 of \$72,147 and Amounts due from affiliate at December 31, 2004 of \$14,487 accounts for timing of reimbursements.

The Plan has an operating lease agreement with SPS Woodbridge, LLC and a sub lease agreement with Midwest-Woodbridge Health Center, PC. The net rent expense was \$485,000 and \$513,000 for the years December 31, 2005 and 2004, respectively. The leases are maintained on a month-to-month basis.

The Plan has an Administrative Services Agreement with Midwest Health AKM, Inc., that began in 2004. For the years ended December 31, 2005 and 2004 respectively the Plan recognized: Other revenue of \$758,000 and \$542,000, allocated expenses of \$227,400 and \$298,350 that results in a \$530,600 and \$243,650 profit for the year.

11. Debt

No long-term debt.

12. Employee Benefit Plan

The Plan maintains a 401(k) plan for its employees. All employees are eligible to participate in the 401(k) plan after completion of age and service requirements. The Plan makes matching contributions to the 401(k) plan up to four percent of eligible compensation. Contributions, net of forfeitures, made to the 401(k) plan by the Plan for the years ended December 31, 2005 and 2004 were approximately \$92,000 and \$68,000, respectively. The fair value of plan assets was \$923,212 and \$607,411 at December 31, 2005 and 2004 respectively.

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

On March 9, 2005, Midwest – HC, Inc., the parent corporation of Midwest Health Plan, Inc agreed to merge together. As a result of the merger, \$12,007 of cash was transferred into Midwest Health Plan, Inc. In 2004, the plan declared a dividend of \$1,175,000 and paid it in two equal installments (April and November) to its parent corporation. The proceeds of these dividends were used by the parent corporation to repurchase shares of its outstanding stock.

14. Commitments and Contingencies

None.

15. Leases

During 2000, the Plan entered into an operating agreement with a related party. Rent paid to the related party was \$808,000 and \$281,000 for the years ended December 31, 2005 and 2004, respectively. The lease is currently being maintained on a month-to-month basis.

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

None.

17. Sales, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

None.

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

The Plan has an Administrative Services Agreement with Midwest Health AKM, Inc., that began in 2004. For the years ended December 31, 2005 and 2004 respectively the Plan recognized: Other revenue of \$758,000 and \$542,000, allocated expenses of \$227,400 and \$298,350 that results in a \$530,600 and \$243,650 profit for the year.

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

None.

20. September 11 Events

None.

21. Other Items

Notes to Financial Statement

None.

22. Events Subsequent

None.

23. Reinsurance

The Plan has a reinsurance agreement with Reliastar Life Insurance Company, NAIC #67105, Federal tax ID #41-0451140. The deductible rate for institutional services is \$110,000 with a co-payment of 10%.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination.

None.

25. Change in Incurred Claims and Claims Adjustment Expenses

The Plan recognized claim adjustment expenses based on an actuarial determined amount. Claim adjustment expenses for the years ended December 31, 2005 and 2004 for the Plan were approximately \$2,438,000 and \$2,466,000, as specified by SSAP No. 55, Unpaid Claims, Losses and Loss Adjustment Expenses which was adopted by the State of Michigan Division of Insurance for implementation beginning with the year ended December 31, 2002 reporting requirements.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables - Admitted

A. Pharmaceutical/Rebates Receivable

Quarter	Estimated Receivable	Confirmed Receivable	Received within 90 days	Received within 91 -180 days	Received over 180 days
12/31/05	242,778	242,778	242,778		
9/30/05	225,000	237,943	237,943		
6/30/05	243,757	243,757	243,757		
3/31/05	200,000	249,033	249,033		
12/31/04	417,434	417,434	417,434		
9/30/04	650,000	648,329	648,329		
6/30/04	660,679	660,679	660,679		
3/31/04	1,044,013	1,264,430	1,264,430		
12/31/03	917,934	917,934	917,934		
9/30/03	None				
6/30/03	465,209	465,209	465,209		
3/31/03	None				

B. Risk Sharing Receivable

Year	Year	Estimated in P/Y	Estimated in C/Y	Estimated Billed in C/Y	Not yet billed	Received in Year Billed	Received First Subsequent	Received Second Subsequent
2005	2005	0						
2004	2004 2005	63,635	82,556	82,556		68,349		

28. Participating Policies

None

29. Premium Deficiency Reserves

None

Notes to Financial Statement

30. Anticipated Salvage and Subrogation

None

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	1,003,102	2.516	1,003,102	2.516
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or Guaranteed by GNMA				
1.512 Issued or Guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$..... of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$..... property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	38,868,084	97.484	38,868,084	97.484
9. Other invested assets				
10. Total invested assets	39,871,186	100.000	39,871,186	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Michigan
- 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:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2003
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2003
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/16/2005
- 3.4 By what department or departments?
Department of Consumer & Industry Services (CIS), Office of Financial & Insurance Services (OFIS)
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[X] No[]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
Midwest-HC, Inc.	00000	MI

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement) Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, %
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), 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 OTS	6 FDIC	7 SEC
..... Yes[] No[X] .				

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BDO Seidman, LLP, 755 West Big Beaver, Suite 1900 Troy, Michigan 48084-0178
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Michael Sturm, Milliman USA, 15800 Blue Mound Road, Suite 400, Brookfield, Wisconsin 53005-6069, Consulting Contract
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value \$
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[] No[] N/A[X]
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes[] No[] N/A[X]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

BOARD OF DIRECTORS

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes[X] No[]
14. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes[X] No[]
15. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes[X] No[]

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.11 To directors or other officers \$
- 16.12 To stockholders not officers \$
- 16.13 Trustees, supreme or grand (Fraternal only) \$
- 16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.21 To directors or other officers \$
- 16.22 To stockholders not officers \$
- 16.23 Trustees, supreme or grand (Fraternal only) \$
- 17.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[] No[X]
- 17.2 If yes, state the amount thereof at December 31 of the current year:
- 17.21 Rented from others \$
- 17.22 Borrowed from others \$
- 17.23 Leased from others \$
- 17.24 Other \$
- 18.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[] No[X]
- 18.2 If answer is yes:
- 18.21 Amount paid as losses or risk adjustment \$
- 18.22 Amount paid as expenses \$
- 18.23 Other amounts paid \$
- 19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[] No[X]
- 19.2 If yes, indicate any amounts receivable from parent included in the page 2 amount: \$

INVESTMENT

- 20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes[] No[X]
- 20.2 If no, give full and complete information, relating thereto:
Securities are held by the Custodian, LaSalle Bank, NA pursuant to a custodial agreement.
- 21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1). Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Loaned to others \$
- 21.22 Subject to repurchase agreements \$
- 21.23 Subject to reverse repurchase agreements \$
- 21.24 Subject to dollar repurchase agreements \$
- 21.25 Subject to reverse dollar repurchase agreements \$
- 21.26 Pledged as collateral \$
- 21.27 Placed under option agreements \$
- 21.28 Letter stock or securities restricted as to sale \$
- 21.29 Other \$
- 21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.
- 23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 23.2 If yes, state the amount thereof at December 31 of the current year. \$
24. Excluding items in Schedule E, 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 Part 1 - General, Section IV.H - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]
- 24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
LaSalle Bank N.A. -Wealth Management Group	2600 West Big Beaver Road, Troy, MI 48084

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

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

GENERAL INTERROGATORIES (Continued)

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year?

Yes [] No[X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
.....

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

Yes [] No[X]

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
25.2999 Total

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
26.1 Bonds	35,411,193	35,411,193
26.2 Preferred stocks
26.3 Totals	35,411,193	35,411,193

26.4 Describe the sources of methods utilized in determining the fair values

Nature of Investment (U.S. Treasury Note) with stated interest rate and highly rated short-term commercial paper

27.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No []

27.2 If no, list exceptions:

OTHER

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

\$ 72,690

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

1 Name	2 Amount Paid
Michigan Association of Health Plans	30,436

29.1 Amount of payments for legal expenses, if any?

\$ 241,338

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

1 Name	2 Amount Paid
Barris, Sott, Denn & Driker, PLLC	128,875

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

\$

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

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only: \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
 - 1.31 Reason for excluding: \$
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$
- 1.6 Individual policies - Most current three years: \$
 - 1.61 Total premium earned \$
 - 1.62 Total incurred claims \$
 - 1.63 Number of covered lives \$
- All years prior to most current three years: \$
 - 1.64 Total premium earned \$
 - 1.65 Total incurred claims \$
 - 1.66 Number of covered lives \$
- 1.7 Group policies - Most current three years: \$
 - 1.71 Total premium earned \$
 - 1.72 Total incurred claims \$
 - 1.73 Number of covered lives \$
- All years prior to most current three years: \$
 - 1.74 Total premium earned \$
 - 1.75 Total incurred claims \$
 - 1.76 Number of covered lives \$

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	124,927,354	111,547,130
2.2 Premium Denominator	124,927,354	111,547,130
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	15,117,727	16,411,748
2.5 Reserve Denominator	14,874,949	15,709,096
2.6 Reserve Ratio (2.4 / 2.5)	1.016	1.045

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No []
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions): \$
 - 5.31 Comprehensive Medical \$ 200,000
 - 5.32 Medical Only \$
 - 5.33 Medicare Supplement \$
 - 5.34 Dental \$
 - 5.35 Other Limited Benefit Plan \$
 - 5.36 Other \$
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Midwest Health Plan has agreements with its Primary Care providers to continue services until enrollee is re-assigned by Medicaid.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service data base? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year 617
 - 8.2 Number of providers at end of reporting year 740
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No[X]
- 9.2 If yes, direct premium earned: \$
 - 9.21 Business with rate guarantees between 15-36 months 0
 - 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[X] No []
- 10.2 If yes: \$
 - 10.21 Maximum amount payable bonuses 2,613,285
 - 10.22 Amount actually paid for year bonuses 1,594,570
 - 10.23 Maximum amount payable withholds 1,136,477
 - 10.24 Amount actually paid for year withholds 373,217
- 11.1 Is the reporting entity organized as: Yes [] No[X]
 - 11.12 A medical Group/Staff Model, Yes [] No[X]
 - 11.13 An Individual Practice Association (IPA), or, Yes[X] No []
 - 11.14 A Mixed Model (combination of above)? Yes[X] No []
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No []
- 11.3 If yes, show the name of the state requiring such net worth.
Michigan \$ 7,016,364
- 11.4 If yes, show the amount required. \$
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No[X]
- 11.6 If the amount is calculated, show the calculation.

1 Name of Service Area
Livingston, Macomb, St. Claire, Washtenaw, Wayne Counties

FIVE-YEAR HISTORICAL DATA

	1 2005	2 2004	3 2003	4 2002	5 2001
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	41,530,686	35,242,651	35,459,006	27,441,362	21,050,550
2. Total liabilities (Page 3, Line 22)	17,950,501	17,292,982	21,294,594	17,307,329	14,923,973
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 31)	23,580,185	17,949,669	14,164,412	10,134,033	6,126,577
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)	117,777,219	105,611,667	89,723,987	78,629,655	66,401,257
6. Total medical and hospital expenses (Line 18)	101,412,159	88,014,925	74,397,752	66,117,660	57,381,838
7. Claims adjustment expenses (Line 20)	2,438,338	2,465,774	1,981,333		
8. Total administrative expenses (Line 21)	8,026,450	8,151,436	7,297,163	6,136,282	6,602,011
9. Net underwriting gain (loss) (Line 24)	5,900,272	6,979,533	6,047,739	5,055,713	2,417,408
10. Net investment gain (loss) (Line 27)	1,242,035	451,215	302,240	348,679	461,067
11. Total other income (Lines 28 plus 29)	1,498,459				
12. Net income or (loss) (Line 32)	5,704,094	4,890,748	4,219,979	3,515,392	1,948,475
RISK-BASED CAPITAL ANALYSIS					
13. Total adjusted capital	23,580,185	17,949,669	14,164,412	10,134,033	6,126,577
14. Authorized control level risk-based capital	4,103,705	3,508,214	3,092,669	2,725,261	2,271,681
ENROLLMENT (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	55,700	55,065	48,729	40,316	35,477
16. Total members months (Column 6, Line 7)	671,912	628,478	540,063	457,773	401,185
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5)x 100.0					
17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	81				
19. Cost containment expenses			X X X	X X X	X X X
20. Other claims adjustment expenses	2	2			
21. Total underwriting deductions (Line 23)	90	88	90	94	96
22. Total underwriting gain (loss) (Line 24)	5	6	6	6	4
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 13, Column 5)	11,728,237	13,116,147	13,582,609	11,896,993	8,151,932
24. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	16,564,330	19,374,188	16,017,430	13,943,451	9,518,786
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
25. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1)					
27. Affiliated common stocks (Sch. D Summary, Line 53, Column 2)					
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Column 5, Line 11)					
29. Affiliated mortgage loans on real estate					
30. All other affiliated					
31. Total of above Lines 25 to 30					

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	1,003,102	1,003,102	1,000,522	1,016,000
	2. Canada				
	3. Other Countries				
	4. Totals	1,003,102	1,003,102	1,000,522	1,016,000
States, Territories and Possessions (Direct and Guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
	16. Totals				
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States				
	22. Canada				
	23. Other Countries				
	24. Totals				
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	1,003,102	1,003,102	1,000,522	1,016,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks				
	55. Total Stocks				
	56. Total Bonds and Stocks	1,003,102	1,003,102	1,000,522	

SCHEDULE D - Verification Between Years

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	1,006,458				
2. Cost of bonds and stocks acquired, Column 7, Part 3	1,000,522				
3. Accrual of discount	6,122				
4. Increase (decrease) by adjustment:					
4.1 Columns 12 - 14, Part 1					
4.2 Column 15 - 17, Part 2, Section 1					
4.3 Column 15, Part 2, Section 2					
4.4 Column 11 - 13, Part 4					
5. Total gain (loss), Column 19, Part 4					
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	1,010,000				
7. Amortization of premium					
8. Foreign Exchange Adjustment:					
8.1 Column 15, Part 1					
8.2 Column 19, Part 2, Section 1					
8.3 Column 16, Part 2, Section 2					
8.4 Column 15, Part 4					
9. Book/adjusted carrying value at end of current period		1,003,102			
10. Total valuation allowance					
11. Subtotal (Lines 9 plus 10)		1,003,102			
12. Total nonadmitted assets					
13. Statement value of bonds and stocks, current period		1,003,102			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**Allocated by States and Territories**

State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only					7 Life & Annuity Premiums & Deposit-Type Contract Funds	8 Property/ Casualty Premiums
			3 Accident & Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums			
1. Alabama (AL)	No	No							
2. Alaska (AK)	No	No							
3. Arizona (AZ)	No	No							
4. Arkansas (AR)	No	No							
5. California (CA)	No	No							
6. Colorado (CO)	No	No							
7. Connecticut (CT)	No	No							
8. Delaware (DE)	No	No							
9. District of Columbia (DC)	No	No							
10. Florida (FL)	No	No							
11. Georgia (GA)	No	No							
12. Hawaii (HI)	No	No							
13. Idaho (ID)	No	No							
14. Illinois (IL)	No	No							
15. Indiana (IN)	No	No							
16. Iowa (IA)	No	No							
17. Kansas (KS)	No	No							
18. Kentucky (KY)	No	No							
19. Louisiana (LA)	No	No							
20. Maine (ME)	No	No							
21. Maryland (MD)	No	No							
22. Massachusetts (MA)	No	No							
23. Michigan (MI)	Yes	Yes			125,440,236				
24. Minnesota (MN)	No	No							
25. Mississippi (MS)	No	No							
26. Missouri (MO)	No	No							
27. Montana (MT)	No	No							
28. Nebraska (NE)	No	No							
29. Nevada (NV)	No	No							
30. New Hampshire (NH)	No	No							
31. New Jersey (NJ)	No	No							
32. New Mexico (NM)	No	No							
33. New York (NY)	No	No							
34. North Carolina (NC)	No	No							
35. North Dakota (ND)	No	No							
36. Ohio (OH)	No	No							
37. Oklahoma (OK)	No	No							
38. Oregon (OR)	No	No							
39. Pennsylvania (PA)	No	No							
40. Rhode Island (RI)	No	No							
41. South Carolina (SC)	No	No							
42. South Dakota (SD)	No	No							
43. Tennessee (TN)	No	No							
44. Texas (TX)	No	No							
45. Utah (UT)	No	No							
46. Vermont (VT)	No	No							
47. Virginia (VA)	No	No							
48. Washington (WA)	No	No							
49. West Virginia (WV)	No	No							
50. Wisconsin (WI)	No	No							
51. Wyoming (WY)	No	No							
52. American Samoa (AS)	No	No							
53. Guam (GU)	No	No							
54. Puerto Rico (PR)	No	No							
55. U.S. Virgin Islands (VI)	No	No							
56. Canada (CN)	No	No							
57. Aggregate other alien (OT)	X X X	X X X							
58. Subtotal	X X X	X X X			125,440,236				
59. Reporting entity contributions for Employee Benefit Plans	X X X	X X X							
60. TOTAL (Direct Business)	X X X	(a) 1			125,440,236				
DETAILS OF WRITE-INS									
5701	X X X	X X X							
5702	X X X	X X X							
5703	X X X	X X X							
5798. Summary of remaining write-ins for Line 57 from overflow page	X X X	X X X							
5799. TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)	X X X	X X X							

(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE T - PART 2
INTERSTATE COMPACT PRODUCTS - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

		Direct Business only					
States, Etc.		1	2	3	4	5	6
		Life (Group and Individual)	Annuities (Group and Individual)	Disability Income (Group and Individual)	Long-Term Care (Group and Individual)	Deposit-Type Contracts	Totals
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)						
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)						
55.	U.S. Virgin Islands (VI)						
56.	Canada (CN)						
57.	Aggregate other alien (OT)						
58.	TOTALS						

NONE

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

- 1) Rick Poston, Owns 27.45% of Stock
- 2) Jack Shaprio, Owns 27.45% of Stock
- 3) Mark Saffer, Owns 18.67% of Stock

|
RJM Company, LLC

- 4) Farid Jano, Owns 13.73% of Stock

|
Midwest Health Plan, Inc.
(38-3123777)

Related Parties:

Midwest Health Center, PC (38-342286) (Affiliate)	Brookside Health Center, PC (38-3079378) (Affiliate)	SPS Woodbridge, LLC (38-3443779)	Midwest-Woodbridge Health Center, PC (38-3264451) (Affiliate)	Midwest-Metro Health Center, PC (38-3213872) (Affiliate)	Midwest-Livonia, PC (38-3601410) (Affiliate)	Rick A. Poston, DO, PC (38-2243830)	Carpenter Medical Associates, P.C. (38-2576638)
<p align="center"> Midwest Health AKM, Inc. (20-0262421) Subsidiary of Midwest Health Center, PC</p>							