* 5 2 5 6 4 2 0 0 5 2 0 1 0 0 1 0 2 *

HEALTH QUARTERLY STATEMENT

As of June 30, 2005

of the Condition and Affairs of the

Physicians Health Plan of South Michigan

NAIC Group Code.....3594 (Current Period) (Prior Period) NAIC Company Code..... 52564 Employer's ID Number..... 38-3311905

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

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

Incorporated/Organized..... April 17, 1996 Commenced Business..... May 1, 2000

Statutory Home Office	One Jackson Square….. Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	One Jackson Square….. Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	800-428-7163 *(Area Code) (Telephone Number)*
Mail Address	One Jackson Square….. Jackson ..... MI ..... 49201 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	One Jackson Square….. Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	800-428-7163 *(Area Code) (Telephone Number)*
Internet Website Address	phpcares.com	
Statutory Statement Contact	David Spring *(Name)*	517-841-6973 *(Area Code) (Telephone Number) (Extension)*
	david_w_spring@uhc.com *(E-Mail Address)*	517-782-4512 *(Fax Number)*
Policyowner Relations Contact	One Jackson Square….. Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	800-428-7163 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

Name	Title	Name	Title
1. Greg Gieseman	President	2. Jeanne' Wickens	Secretary / Treasurer
3. David Spring	Chief Financial Officer	4.	

OTHER

DIRECTORS OR TRUSTEES

Dave Corravo	Brian Admaczyk M.D.	Georgia Fojtasek	Rick Warren
Edward Woods	K. V. Rao M.D.	Jeanne' Wickens	Phil Miller
Michael Shore	Carolyn Bradley		

State of.....Michigan
County of.....Jackson

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)
Greg Gieseman	Jeanne' Wickens	David Spring
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary / Treasurer	Chief Financial Officer
(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 December 31 Prior Year Net Admitted Assets
1. Bonds	7,745,778		7,745,778	7,416,174
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(174,523)), cash equivalents ($.....0) and short-term investments ($.....22,163,807)	21,989,283		21,989,283	22,189,532
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets	2,290,253	124,232	2,166,021	2,153,244
8. Receivables for securities			0	
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	32,025,314	124,232	31,901,082	31,758,951
11. Title Plants less $.....0 charged off (for Title insurers only)			0	
12. Investment income due and accrued	115,163		115,163	104,345
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	573,223	17,243	555,980	251,987
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
13.3 Accrued retrospective premiums			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	142,455
14.2 Funds held by or deposited with reinsured companies			0	
14.3 Other amounts receivable under reinsurance contracts			0	
15. Amounts receivable relating to uninsured plans			0	
16.1 Current federal and foreign income tax recoverable and interest thereon			0	
16.2 Net deferred tax asset			0	
17. Guaranty funds receivable or on deposit			0	
18. Electronic data processing equipment and software	57,806		57,806	36,562
19. Furniture and equipment, including health care delivery assets ($.....0)	95,707	71,780	23,927	27,625
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	
21. Receivables from parent, subsidiaries and affiliates	7,571		7,571	8,585
22. Health care ($.....842,375) and other amounts receivable	842,375		842,375	934,473
23. Aggregate write-ins for other than invested assets	90,860	90,860	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	33,808,019	304,115	33,503,904	33,264,983
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	33,808,019	304,115	33,503,904	33,264,983

DETAILS OF WRITE-INS

0901.			0	
0902.			0	
0903.			0	
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Prepaid Insurance	90,860	90,860	0	
2302.			0	
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)	90,860	90,860	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....16,200 reinsurance ceded)	9,325,000	1,209,342	10,534,342	10,408,619
2. Accrued medical incentive pool and bonus amounts	1,559,159		1,559,159	2,622,083
3. Unpaid claims adjustment expenses	708,275		708,275	777,320
4. Aggregate health policy reserves			0	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	675,583		675,583	786,715
9. General expenses due or accrued	1,389,076		1,389,076	1,462,583
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable	146,232		146,232	61,902
12. Amounts withheld or retained for the account of others	1,135		1,135	8
13. Remittances and items not allocated			0	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	490,868		490,868	479,007
16. Payable for securities			0	
17. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
18. Reinsurance in unauthorized companies			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Liability for amounts held under uninsured accident and health plans			0	
21. Aggregate write-ins for other liabilities (including $.....0 current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	14,295,328	1,209,342	15,504,670	16,598,236
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	10,888,193	10,888,193
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	7,111,041	5,778,555
30. Less treasury stock, at cost:				
30.1 .....0.000 shares common (value included in Line 24 $.....0)	XXX	XXX		
30.2 .....0.000 shares preferred (value included in Line 25 $.....0)	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	17,999,234	16,666,748
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	33,503,904	33,264,983

DETAILS OF WRITE-INS

2101.			0	
2102.			0	
2103.			0	
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.				
2802.				
2803.				
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	170,725	176,373
2. Net premium income (including $.....0 non-health premium income)	XXX	42,128,927	40,958,186
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	42,128,927	40,958,186
Hospital and Medical:			
9. Hospital/medical benefits	3,054,653	26,608,475	25,352,541
10. Other professional services	400,361	3,487,468	3,169,718
11. Outside referrals			
12. Emergency room and out-of-area	201,192	1,752,540	1,511,123
13. Prescription drugs	633,477	5,518,092	5,128,388
14. Aggregate write-ins for other hospital and medical	0	(59,605)	1,709
15. Incentive pool, withhold adjustments and bonus amounts		1,227,094	739,691
16. Subtotal (Lines 9 to 15)	4,289,683	38,534,065	35,903,169
Less:			
17. Net reinsurance recoveries		15,273	337,515
18. Total hospital and medical (Lines 16 minus 17)	4,289,683	38,518,792	35,565,654
19. Non-health claims (net)			
20. Claims adjustment expenses, including $.....27,070 cost containment expenses		1,538,096	1,587,954
21. General administrative expenses		3,016,526	3,172,099
22. Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)	4,289,683	43,073,413	40,325,707
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(944,487)	632,479
25. Net investment income earned		360,083	166,926
26. Net realized capital gains (losses) less capital gains tax of $.....0		(10,038)	12,869
27. Net investment gains or (losses) (Lines 25 plus 26)	0	350,045	179,795
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	2,210,000	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	1,615,558	812,274
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	1,615,558	812,274

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401. Other Medical Costs		(59,605)	1,709
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	(59,605)	1,709
2901. Arbitration Settlement		2,210,000	
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	2,210,000	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year
33. Capital and surplus prior reporting year	16,666,748	15,480,304	15,480,304
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34. Net income or (loss) from Line 32	1,615,558	812,274	1,167,474
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	(227,397)	(173)	17,383
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	(55,675)	59,600	1,586
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			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	1,332,487	871,701	1,186,444
49. Capital and surplus end of reporting period (Line 33 plus 48)	17,999,234	16,352,005	16,666,748

DETAILS OF WRITE-INS

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

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	41,713,803	82,681,286
2. Net investment income	385,062	543,199
3. Miscellaneous income	2,192,455	70,209
4. Total (Lines 1 through 3)	44,291,320	83,294,694
5. Benefit and loss related payments	40,836,348	74,689,710
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	3,090,033	6,566,201
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) $.....0 net tax on capital gains (losses)		
10. Total (Lines 5 through 9)	43,926,381	81,255,911
11. Net cash from operations (Line 4 minus Line 10)	364,939	2,038,783
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,472,472	4,484,511
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,472,472	4,484,511
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,857,949	3,574,288
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	340,000	1,800,000
13.6 Miscellaneous applications	(337,261)	59,244
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,860,689	5,433,532
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(388,217)	(949,021)
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)	(176,971)	(273,595)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(176,971)	(273,595)
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)	(200,249)	816,167
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	22,189,532	21,373,365
19.2 End of period (Line 18 plus Line 19.1)	21,989,283	22,189,532

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

20.0001			
20.9999	Totals	0	0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at End of:													
1. Prior Year	29,310	136	29,174										
2. First Quarter	28,709	142	28,567										
3. Second Quarter	28,159	141	28,018										
4. Third Quarter	0												
5. Current Year	0												
6. Current Year Member Months	170,725	835	169,890										
Total Member Ambulatory Encounters for Period:													
7. Physician	156,695	783	155,912										
8. Non-Physician	46,994	235	46,759										
9. Total	203,689	1,018	202,671	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	3,973	123	3,850										
11. Number of Inpatient Admissions	1,087	12	1,075										
12. Health Premiums Written	42,557,065	256,931	42,300,134										
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	42,557,065	256,931	42,300,134										
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	39,248,948	196,245	39,052,703										
18. Amount Incurred for Provision of Health Care Services	38,534,063	192,670	38,341,393										

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)						
0299999. Aggregate Accounts Not Individually Listed-Uncovered	132,602	133	(24)	(37)	(228)	132,446
0399999. Aggregate Accounts Not Individually Listed-Covered	1,022,924	1,029	(188)	(287)	(1,759)	1,021,720
0499999. Subtotals	1,155,526	1,162	(212)	(324)	(1,987)	1,154,166
0599999. Unreported Claims and Other Claim Reserves						9,396,377
0799999. Total Claims Unpaid						10,550,542
0899999. Accrued Medical Incentive Pool and Bonus Amounts						1,559,159

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)	6,432,722	30,510,937	685,805	9,848,537	7,118,528	10,266,162
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan Premiums					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	6,432,722	30,510,937	685,805	9,848,537	7,118,528	10,266,162
10. Healthcare receivables (a)	(293,389)	(548,986)			(293,389)	(922,234)
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	2,575,233	(285,215)	272,336	1,286,823	2,847,569	2,622,083
13. Totals	8,714,566	29,676,737	958,141	11,135,360	9,672,707	11,966,011

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

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

No significant change.

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

No significant change.

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

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 31 - Anticipated Salvage and Subrogation

No significant change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes that would require disclosure in the Notes to the Financial Statements? Yes [ ] No [X]

1.2 If yes, explain:.....

2.1 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]

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

3.1 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]

3.2 If yes, date of change: .....
If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
If yes, complete the Schedule Y-Part 1 - Organizational chart.

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

5.2 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

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

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2001.....

7.2 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. 12/31/2001.....

7.3 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). 03/25/2003.....

7.4 By what department or departments?

Michigan Office of Financial and Insurance Services

8.1 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [X]

8.2 If yes, give full information:

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

9.2 If response to 9.1 is yes, please identify the name of the bank holding company.

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

9.4 If the response to 9.3 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 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

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 Has there been any change in the reporting entity's own preferred or common stock? Yes [ ] No [X]

11.2 If yes, explain:.....

12.1 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]

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

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

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

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

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

15.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
15.21 Bonds	$.....0	$.....0
15.22 Preferred Stock	$.....0	$.....0
15.23 Common Stock	$.....0	$.....0
15.24 Short-Term Investments	$.....0	$.....0
15.25 Mortgages, Loans or Real Estate	$.....0	$.....0
15.26 All Other	$.....2,153,244	$.....2,166,021
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)	$.....2,153,244	$.....2,166,021
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	$.....0	$.....0

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

16.2 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.

17. 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 [ ]

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
Comerica Bank	Detroit, MI

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
Munder Capital	Mike Krushena	480 Pierce, Birmingham, MI

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

18.2 If no, list exceptions:

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improvements		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period	0	0
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	0	
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column)	0	0

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	2,177,649	360,266
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		1,800,000
2.2 Additional investment made after acquisitions	340,000	
3. Accrual of discount		
4. Increase (decrease) by adjustment	(227,397)	17,383
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book adjusted/carrying value of long-term invested assets at end of current period	2,290,253	2,177,649
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	2,290,253	2,177,649
12. Total nonadmitted amounts	124,232	24,405
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	2,166,021	2,153,244

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	7,416,173	8,429,747
2. Cost of bonds and stocks acquired	1,857,949	3,574,288
3. Accrual of discount	2,309	2,240
4. Increase (decrease) by adjustment		(1)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	(10,038)	21,759
7. Consideration for bonds and stocks disposed of	1,472,472	4,484,511
8. Amortization of premium	48,144	127,349
9. Book/adjusted carrying value, current period	7,745,778	7,416,173
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	7,745,778	7,416,173
12. Total nonadmitted amounts		
13. Statement value	7,745,778	7,416,173

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	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. Class 1	30,831,916	12,970,552	13,871,375	(21,508)	30,831,916	29,909,585		31,458,593
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	30,831,916	12,970,552	13,871,375	(21,508)	30,831,916	29,909,585	0	31,458,593
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	30,831,916	12,970,552	13,871,375	(21,508)	30,831,916	29,909,585	0	31,458,593

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	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
8299999. Totals	22,163,807	XXX	22,163,807	268,874	

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	24,042,419	23,531,171
2. Cost of short-term investments acquired	24,344,797	45,954,461
3. Increase (decrease) by adjustment	32	
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments		
6. Consideration received on disposal of short-term investments	26,223,441	45,443,212
7. Book/adjusted carrying value, current period	22,163,807	24,042,419
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	22,163,807	24,042,419
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	22,163,807	24,042,419
12. Income collected during period	268,874	257,188
13. Income earned during period	277,483	272,287

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	2	Direct Business Only Year to Date					
			3	4	5	6	7	8
State, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/Casualty 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	NO	YES	42,557,065					
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	XXX	XXX	0	0	0	0	0	0
58. Subtotal	XXX	XXX	42,557,065	0	0	0	0	0
59. Reporting entity contributions for Employee Benefit Plans	XXX	XXX						
60. Total (Direct Business)	XXX	(a) 1	42,557,065	0	0	0	0	0

DETAILS OF WRITE-INS

5701.						
5702.						
5703.						
5798. Summary of remaining write-ins for line 57 from overflow page	0	0	0	0	0	0
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above)	0	0	0	0	0	0

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

Sch. Y-Part 1
NONE

Overflow Page
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company During the 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									
31359M XC 2	FEDERAL NATL MTG ASSN		06/23/2005	UBS WARBURG LLC		174,122	175,000	2,796	1
912828 DR 8	UNITED STATES TREAS NTS		06/23/2005	CS FIRST BOSTON CORP		176,777	175,000	1,415	1
0399999.	Total - Bonds - U.S. Government					350,899	350,000	4,211	XXX
Bonds - Industrial and Miscellaneous									
14041P AT 3	CAPITAL ONE PRIME AUTO 2004-2		05/13/2005	CS FIRST BOSTON CORP		129,045	130,000	33	1FE
319963 AL 8	FIRST DATA CORP		05/19/2005	WACHOVIA CAPITAL MARKETS,		149,915	150,000		1FE
4599999.	Total - Bonds - Industrial & Miscellaneous					278,960	280,000	33	XXX
6099997.	Total - Bonds - Part 3					629,859	630,000	4,244	XXX
6099999.	Total - Bonds					629,859	630,000	4,244	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					629,859	XXX	4,244	XXX

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the 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	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
31359M DW 0	FEDERAL NATL MTG ASSN		.06/15/2005	MATURITY		485,000	485,000	521,518	491,155		(6,155)		(6,155)		485,000			0	13,944	06/15/2005	1
0399999.	Total - Bonds - U.S. Government					485,000	485,000	521,518	491,155	0	(6,155)	0	(6,155)	0	485,000	0	0	0	13,944	XXX	XXX
Bonds - Industrial and Miscellaneous																					
337358 BG 9	FIRST UN CORP		.05/19/2005	BNP PARIBAS SEC		156,117	150,000	174,045	162,278		(3,019)		(3,019)		159,259		(3,142)	(3,142)	9,656	07/15/2006	1FE
833667 AC 2	SOCIETY NATL BANK CLEV OHIO		.06/01/2005	MATURITY		125,000	125,000	137,413	126,986		(1,986)		(1,986)		125,000			0	4,531	06/01/2005	1FE
4599999.	Total - Bonds - Industrial & Miscellaneous					281,117	275,000	311,458	289,264	0	(5,005)	0	(5,005)	0	284,259	0	(3,142)	(3,142)	14,187	XXX	XXX
6099997.	Total - Bonds - Part 4					766,117	760,000	832,976	780,419	0	(11,160)	0	(11,160)	0	769,259	0	(3,142)	(3,142)	28,131	XXX	XXX
6099999.	Total - Bonds					766,117	760,000	832,976	780,419	0	(11,160)	0	(11,160)	0	769,259	0	(3,142)	(3,142)	28,131	XXX	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					766,117	XXX	832,976	780,419	0	(11,160)	0	(11,160)	0	769,259	0	(3,142)	(3,142)	28,131	XXX	XXX

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
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								
JPMorgan Chase					(2,290,141)	(2,595,572)	(1,743,489)	XXX
Comerica Bank					1,547,971	1,360,849	1,568,966	XXX
0199999. Total Open Depositories	XXX	XXX	0	0	(742,170)	(1,234,724)	(174,523)	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	(742,170)	(1,234,724)	(174,523)	XXX
0599999. Total Cash	XXX	XXX	0	0	(742,170)	(1,234,724)	(174,523)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned at End of Current Quarter

1 CUSIP Identification	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 Gross Investment Income

NONE